

May 16, 2006

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
May 23, 2006

**PROJECT CIP NO. 04-117 MANHATTAN AVE STREET IMPROVEMENTS,
PROJECT CIP NO. 05-109 CONCRETE ROAD RECONSTRUCTION AT VARIOUS
LOCATIONS, PROJECT CIP NO. 05-120 STREET IMPROVEMENTS AT VARIOUS
LOCATIONS – REJECT ALL BIDS AND AUTHORIZE RE-ADVERTISE FOR BIDS**

Recommendation:

It is recommended that the City Council:

1. Reject all bids for Project Nos. CIP 04-117, CIP 05-109, and CIP 05-120 Street Improvements;
2. Authorize the Director of Public Works/City Engineer to make adjustments to the scope of work as necessary; and
3. Authorize Staff to re-advertise for bids and invite all previous participating bidders to re-bid on the project.

Background:

On April 20, 2006, Project Numbers CIP 04-117, CIP 05-109, and CIP 05-120 Street Improvement Projects were advertised in the Easy Reader, Green Sheet (F.W. Dodge), and Reed Construction Data. A total of 8 bid packages were picked up. The City Clerk received 2 bids by the closing date of May 15, 2006. The bids were publicly opened and read aloud.

The decision to reject all bids is based on the receipt of only two responsive bids and the lower bid being approximately \$630,000 above the engineer's estimate/project budget of \$2,100,000. Other project costs still not accounted for include construction support, inspection, and material testing services. Bid results were as follows:

BIDDER	BID AMOUNT	\$ OVER ENGINEER'S ESTIMATE	% OVER ENGINEER'S ESTIMATE
1. Sequel Contractors, Inc.	\$2,783,450	\$629,500	29.23%
2. All American Asphalt	\$3,198,615	\$1,044,665	48.50%

Analysis:

Staff performed a brief review of the project bids and feels that some of the unit prices were too high. Staff will investigate the reason for the high unit prices and also review

portions of the project that can be eliminated or modified that require minimal redesign and may produce significant cost savings.


Based on the above information, Staff recommends that all bids be rejected and that Staff be authorized to re-advertise for bids. Staff also recommends that Staff be authorized to contact all previous participating bidders and invite them to re-bid on the project.

Fiscal Impact:

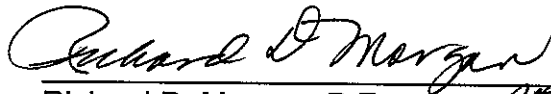
None at this time.

Respectfully submitted,

Concur:



Frank J. Senteno, P.E.
Associate Engineer



Richard D. Morgan, P.E.
Director of Public Works/City Engineer



Stephen R. Burrell
City Manager

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