

Council Meeting of
December 6, 2011

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Fire and General Services- Reject all bids received for Installation of Aboveground Storage Tanks at Torrance City Yard.

Expenditure: None

RECOMMENDATION

Recommendation of the Fire Chief and General Services Director that the City Council reject all bids received for Installation of Aboveground Storage Tanks at Torrance City Yard (B2011-36).

Funding - None.

BACKGROUND

The regulations governing underground storage tank systems have become increasingly complex and stringent over the past few years. As a result some of the City's systems are no longer in compliance with current regulations. The expense incurred with ongoing testing & certification of underground tanks and the frequent repairs necessary to outdated systems required upgrades of the City's underground storage tank systems. The Facilities, Equipment, Acquisition Plan (FEAP) 445 was created to address the deficiencies and improve the equipment.

The City has already accomplished several projects under FEAP 445 to comply with current regulations. These include removal of underground fuel tanks at Fire Station #2 and Fire Station #6, installation of Phase II Enhanced Vapor Recovery (EVR) System at the Airport, Enhanced Leak Detection (ELD) tests at the City Yard, installation of pressure monitoring system at Transit fuel island, and conversion of unleaded fuel tanks to diesel tanks at Fire Stations #3 and #4.

There are two remaining projects to be accomplished under this FEAP: the installation of the Phase II EVR System at the City Services and Transit Fuel Island and the installation of the aboveground storage tanks at the City Services and Transit.

ANALYSIS

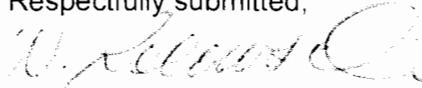
Staff bid Installation of Aboveground Storage Tanks (AST) at Torrance City Yard (B2011-36) in September 2011 and opened bids in October 2011. Based on the lowest bid received of \$575,000 and the amount of available budget remaining in the FEAP of \$235,000, additional funding would be needed in order to move forward with this project. After exploring

different funding sources it became apparent that federal grant funds would be used to fund a portion of the project. Because of this, prevailing wages would apply to this contract.

Prevailing wages are basic wages plus fringe benefits paid for specific classifications (i.e. plumber, concrete mason, electrician, etc.) for work performed onsite on a public works project based on locality. Depending on the funding source, wages are set by either the Federal Department of Labor, referred to as Davis Bacon wages, or the state which for California is the California Department of Industrial Relations, referred to as Prevailing wages. Prevailing or Davis Bacon wages are required when state or federal funds such as grants, bonds or proposition funds are used for project financing. Since the project was bid as a non-prevailing wage project, staff will rebid this project requiring appropriate prevailing wage in order to comply with the grant requirements.

Therefore the Fire Chief and the General Services Director recommend City Council reject all bids received for bid B2001-36 Installation of Aboveground Storage Tanks at Torrance City Yard. The bidders were notified of the bid rejection and will be invited to bid again for this project. Staff hopes to rebid the project in January 2012.

Respectfully submitted,

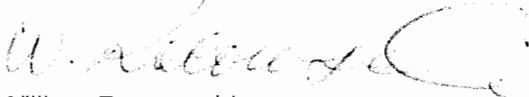


William Racowschi
Fire Chief

for 

By Martin Serna
Fire Battalion Chief

CONCUR:



William Racowschi
Fire Chief

for 

Sheryl Ballew
General Services Director



LeRoy J. Jackson
City Manager