

Council Meeting of
August 7, 2007

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

Members of the Council:

SUBJECT: Public Works - Recommendation to Reject all Bids Received for Construction of the Soil Nail Retaining Wall at Walteria Reservoir Project, CIP No. I-95. Expenditure: None

RECOMMENDATION

The Public Works Director recommends that the City Council reject all bids received on May 10, 2007 for construction of the Soil Nail Retaining Wall at Walteria Reservoir Project, CIP No. I-95, Bid No. B2007-20.

Funding

Not applicable.

BACKGROUND/ANALYSIS

The project involves the construction of a soil nail retaining wall behind the office buildings located at 25690 Crenshaw Boulevard (Rancho Plaza) at the base of the Walteria/Ben Haggott Reservoir slope. This slope has experienced erosion and surficial slides during the 2005 rainy season, and the soil nail retaining wall would provide a permanent solution. The soil nail retaining wall would be constructed directly onto the slope and would be sculpted and colored to look like the surrounding bedrock.

The project was first advertised for bid on April 18, 2007, and five bids were opened on May 10, 2007 with the following results:

1. AIS Construction	\$606,978.75
2. Calex Engineering	\$729,390.00
3. Condon Johnson	\$740,125.00
4. DBM Contractors	\$1,064,600.00
5. Minco Construction	\$1,459,600.00

The Engineer's Estimate for the project was between \$400,000 and \$600,000.

AIS Construction, the lowest bidder, submitted a bid amount higher than the Engineer's Estimate. The estimate was based upon the unit costs for soil nail retaining walls construction for Caltrans. The bids received for this project were higher due to the relatively smaller scope of work for a smaller municipality, with little chance for repeat business. The fact that the project involved access onto a commercial property and included non-retaining wall finish work also added to the costs.

The project budget was \$300,000. With additional funds needed for construction inspection and management, the project would require an additional \$488,000.

It is recommended that all bids be rejected due to the fact that all bids received far exceed the current budget. Staff will re-evaluate the project in context of the entire Water System Capital Improvement Program priorities. Erosion control devices installed in 2006 will be inspected and replaced as required. Currently, it is proposed that the project be re-advertised in February, 2008. Construction would begin in spring 2008, after the "rainy season" (October through April). The City Attorney's Office concurs with this recommendation.

Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By John Dettle
Project Manager

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

for