

Council Meeting of
July 7, 2009

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 Torrance City Yard Improvements and Street Sweeper Transfer Station, FEAP No. 572. Expenditure: None

RECOMMENDATION

Recommendation of the Public Works Director that City Council reject all bids received on June 11, 2009 for construction of the Torrance City Yard Improvements and Street Sweeper Transfer Station, FEAP No. 572 (B2009-019).

Funding

Not applicable.

BACKGROUND/ANALYSIS

The construction of the Torrance City Yard Improvements and Street Sweeper Transfer Station will improve storm water runoff quality and provide a street sweeper transfer station. The project will install filters in catch basins, install bio-swales for the employee parking lot, fix drainage problems in the employee parking lot, and install dumping stations and clarifier to send street sweeping waste water to the sewer. The project was advertised for bid on May 17, 2009. A job walk was held for the contractors on May 27, 2009 to familiarize the contractors with the project. Seven contractors participated in the job walk and three bids were opened on June 11, 2009 with the following results (after correcting math errors in all three bids):

| | |
|--------------------------------|--------------|
| 1. MG Enterprises, Inc. | \$570,335.00 |
| 2. Y & M Construction, Inc. | \$616,540.00 |
| 3. Fleming Environmental, Inc. | \$817,345.00 |

The Engineer's Estimate for the project was \$360,000.

MG Enterprises, Inc., the lowest bidder, submitted a bid amount higher than the Engineer's Estimate. This project had 54 bid items with multidiscipline work, including

small amounts of grading, surveying, asphalt paving, concrete paving, retaining walls, pipeline work, environmental work, electrical work, demolition-salvage work, and landscaping work. The Engineer's Estimate was based on typical bids for similar amounts of work within each discipline. Only contractors holding an A-1 license were allowed to bid on this project and the small quantities involved here may have discouraged most of these contractors.

The project budget was \$636,415, including \$151,000 grant funding from the State Water Resource Control Board for storm water quality improvements. The remaining budget after design and permitting is \$408,454.

Torrance Municipal Code section 22.3.7 provides that "the City Council may reject any and all bids presented and re-advertise for bids." It is recommended that all bids be rejected due to the fact that all bids received far exceed the Engineer's estimate and the current budget. Staff will simplify our bid items for this job and open the bidding up to smaller contractors and re-advertise with a longer bid time. The project will be re-advertised immediately with a proposed bid date of August 13, 2009.

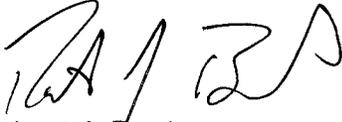
Respectfully submitted,

ROBERT J. BESTE
Public Works Director



By John Dettle
Acting City Engineer

CONCUR:



Robert J. Beste
Public Works Director



LeRoy J. Jackson
City Manager

for