



## Legislation Text

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**File #:** 18-0388, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Bruce Moe, City Manager

**FROM:**

Stephanie Katsouleas, Public Works Director

Prem Kumar, City Engineer

Mamerto Estepa Jr., Associate Engineer

**SUBJECT:**

Reject All Bids Received for the Public Works Facility Building “A” - Engineering Division Tenant Improvement Project (Public Works Director Katsouleas).

**REJECT ALL BIDS RECEIVED**

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**RECOMMENDATION:**

Staff recommends the City Council reject all bids received for the Public Works Facility Building “A” - Engineering Division Tenant Improvement Project and authorize staff to re-bid the work.

**FISCAL IMPLICATIONS:**

There is no fiscal impact associated with the rejection of all bids received for this Capital Improvement Program (CIP) funded project.

**BACKGROUND:**

The Engineering Division staff was relocated from City Hall to the Public Works Yard, Building A, in 2013. The office space was previously occupied by the Utilities Division personnel, who were relocated to the Administration building to make room for the engineers in Building A. Although adequate for the functions of the Utilities Division, the layout of Building A's offices is not ideal to meet the needs of the Engineering Division. The interior of the building is segmented into a series of small rooms, wasted hallway space, and unusable nooks. Many of the small rooms are too large for one person, but too small for the two or three people that now occupy them since adding four engineers. There is no available space for laying out and reviewing plans, or for storage of engineering/architectural plans and related documents. In addition to the space and layout constraints, Building A's HVAC system is very old, corroded, and no longer functions efficiently. It has been supplemented with two additional refurbished portable window units that do not provide adequate ventilation, resulting in the office being too hot or too cold to function in a professional office environment.

The proposed plans, for this much needed tenant improvement, call for an open layout with thirteen

cubicles, open areas for plan review, an office for the City Engineer, a conference room, an area for relevant documents storage, two restrooms, and a small break room.

## **DISCUSSION:**

On October 5, 2017, the City executed a design services agreement with Gillis + Panichapan Architects, Incorporated (GPA) for architectural, structural, mechanical, electrical, and plumbing (MEP) engineering services for the Engineering Division's tenant improvements. Those plans and specs were completed and advertised for public bid on June 7, 2018, with a due date of July 26, 2018.

Bids were solicited on a competitive basis in accordance with the provisions of the California Public Contract Code. The project was advertised for bid in the City's publisher of record (Beach Reporter), in several construction industry publications and was listed on the City's website and BidSync (online service that connects vendors, suppliers and contractors to government procurement opportunities). City staff also notified over 60 contractors directly via email regarding the opportunity to bid on this project. The design consultant's Probable Cost Estimate for the Public Works Facility Building "A" - Office Area Project was \$330,000.

Six (6) bids were received and opened on July 26, 2018, with the results as follows:

| <b><u>Bidder</u></b>        | <b><u>Total Bid Price</u></b> |                                       |
|-----------------------------|-------------------------------|---------------------------------------|
| Meyers Construction Company | \$344,700                     | (did not list subcontractor per Code) |
| Aid Builders, Inc.          | \$654,700                     | (did not submit bid by deadline)      |
| Kazoni Construction         | \$996,297                     |                                       |
| Caltec Corporation          | \$1,008,000                   |                                       |
| Minco Construction          | \$1,370,630                   |                                       |
| iBuild Spectrum             | \$1,429,750                   | (\$646,000 math error)                |

The apparent lowest bidder was determined to be non-responsive because the bid submitted did not disclose/list subcontractors' whose work is in excess of 0.5% of the contractor's total bid, which is a violation of Public Contract Code Section 4104(b). The second lowest bidder was also deemed to be non-responsive because the bid was submitted after the bid closing time of 11:30 a.m. The third lowest bidder (iBuild Spectrum) was actually determined to be the highest bid after correcting for a mathematical error on the bid document. The remaining three (3) bids were all more than three times the original cost estimate.

Therefore, staff recommends that City Council reject all the bids and authorize staff to immediately re-bid the project. Staff contacted all of the bidders listed above to obtain their insights about the high values of the bids submitted, and has refined the City's plans and specifications accordingly. Staff will continue to undertake a custom outreach effort within the building industry to encourage greater contractor participation during the next round of bidding.

## **PUBLIC OUTREACH**

The project will be re-advertised for bid in the Beach Reporter and several construction industry publications. It will also be re-listed on the City's website and on BidSync. In addition, contractors that bid on the project will be notified that the City will be re-bidding the project.

## **ENVIRONMENTAL REVIEW**

The proposed project is exempt from the provisions of the California Environmental Quality Act (CEQA). Per the CEQA Guidelines, the project is exempt pursuant to the following provision: Section 15301, Class 1(c). A Notice of Exemption has been filed with the Los Angeles County Clerk's office for the project.

## **LEGAL REVIEW**

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

## **Attachment:**

None.