



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Cohen and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Jim Arndt, Director of Public Works
 Steve Finton, City Engineer
 Edward T. Kao, Senior Civil Engineer

DATE: December 1, 2009

SUBJECT: Award of Contract (\$284,896.00) for the 2006-07 Sewer Main Replacement Project to Atlas Underground, Inc.

RECOMMENDATION:

It is recommended that the City Council pass a motion to:

- a) Award a contract in the net amount \$284,896.00 for the 2006-07 Sewer Main Replacement Project to Atlas Underground, Inc .
- b) Authorize the Director of Public Works to approve additional work in an amount not-to-exceed \$28,500.00, if required.

FISCAL IMPLICATION:

Sewer Enterprise Funds in the total amount of \$700,000 have been appropriated for this project through the Fiscal Year 2005-06 and 2006-07 Capital Improvement Programs. A summary of expenditures and revenues is as follows:

EXPENDITURES	
Construction Contract (Atlas Underground, Inc.)	\$284,896.00
Contingency (10%)	\$ 28,500.00
Base Map Survey (I/WS Surveying)	\$ 22,000.00
Design Contract (Psomas & Associates)	\$ 41,438.00
Soil Testing (ZKC, Inc.)	\$ 5,900.00
TOTAL ESTIMATED EXPENDITURES	\$382,734.00
BUDGET	
2006-07 Sewer Main Replacement Project	\$350,000.00
2005-06 Sewer Main Replacement Project	\$350,000.00
TOTAL BUDGET	\$700,000.00

BACKGROUND

In an effort to repair sewer mains causing ongoing maintenance problems, City Council appropriated \$350,000 in both Fiscal Years 2005-06 and 2006-07 bringing total appropriations to \$700,000. Allocation of these funds predated the recent infrastructure and rate analyses.

Staff identified the following sewers as requiring rehabilitation or replacement due to histories of blockages and other maintenance problems:

- 12th Street from Fisher Avenue to Highview Avenue
- 13th Street from Manhattan Avenue to Highland Avenue
- 17th Street from the Strand to Highland Avenue

The City hired Psomas and Associates to design all three locations. Closed circuit television inspection was used to determine the severity of the pipeline damage and to identify feasible solutions. Offset pipe joints, broken pipe and root damage were discovered during the inspections. Staff considered options such as slip lining and pipe bursting to avoid more disruptive open trench construction. However, the severity of the damage requires that a new sewer main be installed along an adjacent alignment using open trench construction.

The Engineer’s Estimate for these locations exceeded the \$700,000 budget for the project; therefore, staff elected to reduce the scope to complete the project within budget. Bids opened on November 12, 2009 address the sewers on 12th and 13th Streets only.

Environmental Review

In accordance with the California Environmental Quality Act (CEQA) of 1970, this project is Categorically Exempt (Section 15301, Class 1(b)). A Notice of Exemption has been filed with the County Clerk’s office.

DISCUSSION:

Bid Proposals

This project was advertised for bids in six construction industry publications. Subsequently, fourteen sets of plans and specifications were provided to contractors, subcontractors and material suppliers. A total of six bids were received and opened on November 12, 2009 as follows:

No.	Name of Bidders	Bid Amount	Remarks
1	Garcia-Juarez Construction, Inc.	\$265,110.00	Bid rejected for Non-Compliance. (See below for details)
2	Talcal Engineering, Inc.	\$273,471.00	Bid rejected for Non-Compliance. (See below for details)
3	Atlas Underground, Inc.	\$284,896.00	Lowest Responsive Bidder
4	Dominguez General Eng.	\$294,770.00	
5	John T. Malloy, Inc.	\$317,127.00	
6	Clarke Contracting Corp.	\$423,542.00	

The Engineer's estimate for the project was \$330,000.

Rejection of Bid Submitted by Garcia Juarez Construction, Inc.

Garcia Juarez Construction Inc. was the Apparent Low Bidder. Upon further inspection of the bid document, irregularities were discovered that renders the bid non-compliant. On page 6b item# 33 of its bid package, the printed "Not-to-Exceed" amount of "\$5,000" was crossed out and "\$100" was filled in manually. No other bidder altered the bid form in this way. According to Proposal Requirements section (d) Rejection of Proposals Containing Alterations, Erasures or Irregularities (page 3 of bid package) "Proposals may be rejected if they show any alterations of form, additions not called for, conditional or alternative bids, incomplete bids, erasures, or irregularities of any kind..." Furthermore, there was a numerical error in the "Total Base Bid" calculation. The actual Total Base Bid Amount should be \$265,610.00. It was entered on the bid form as "\$265,110.00". Due to these errors, it is recommended that the bid submitted by Rejection of Garcia Juarez Construction, Inc. be rejected.

Rejection of Bid Submitted by Talcal Engineering, Inc.

Talcal Engineering, Inc. was the second lowest bidder. A numerical error was discovered in Line Item #12 of Talcal's bid which renders it non-compliant. The correct amount should have been \$59,660.00. It was marked \$59,090.00 in its bid document. Thus the Total Base Bid was in error as well. Due to these errors, it is recommended that the bid submitted by Talcal Engineering, Inc. be rejected.

Lowest Responsive Bidder – Atlas Underground, Inc.

The Lowest Responsive Bidder is Atlas Underground, Inc. (Atlas). Atlas' bid was reviewed by the Public Works Department and found to be responsive. Staff reviewed Atlas' contractor's license and found it to be in order. Additionally, references indicate that Atlas has the knowledge and capability to complete the work. The project was discussed with a representative of the firm and he expressed confidence in his bid and a desire to perform the work.

Additional Work Authority

Authorizing the Director of Public Works to approve additional work in an amount not-to-exceed \$28,500.00 would expedite construction on this project. Projects that involve extensive excavation have a higher probability for encountering unforeseen conditions. If the contingency is approved with this award, the Public Works Director will report the status of any additional work to Council at the end of the project.

Public Outreach

City Staff conducted a public meeting regarding the project on August 6, 2009. At the meeting staff discussed the purpose of the project and the methods to be employed during construction. Additionally, staff has met with 13th Street businesses to understand their concerns and to include in the contract methods to mitigate disruption to their businesses.

Schedule

Construction will begin on or after January 4, 2010 and includes 60 working days for completion.

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Balance of Funds

Bids received were significantly below the engineer's estimate. It is estimated that a balance of funds in the amount of \$317,266 will remain after completion of the project. The remaining funds will be used to complete the 17th Street sewer in the near future.

Attachment: Project Location Map

xc: Henry Mitzner, Controller

City of Manhattan Beach 2006 - 2007 Sewer Main Replacement Project

