



City Council Staff Report

Date: July 21, 2010

CONSENT CALENDAR

Subject: AWARD OF THE SAN LORENZO SHOULDER PAVING PROJECT, CITY PROJECT NO. 08-05.

From: David H. Ready, City Manager

Initiated by: Public Works and Engineering Department

SUMMARY

The City has received a \$176,000 federal CMAQ grant through Southern California Association of Governments PM-10 program for shoulder paving on both sides of San Lorenzo Road from approximately 140 feet west of S. Camino Real to S. Hermosa Drive in Palm Springs.

Approval of this item will award a contract services agreement to United Paving Company to construct this road shoulder paving project.

RECOMMENDATION:

- 1) Approve Agreement No. _____ in the amount of \$64,351.00 with United Paving for the San Lorenzo Shoulder Paving Project, City Project No. 08-05; and
- 2) Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

Four years ago at a community neighborhood meeting there was a discussion about the existing dust problem on San Lorenzo Road, and the residents supported a road widening/shoulder paving project to reduce dust pollution produced by delivery and mail vehicles driving on the unpaved, dusty shoulders.

The City applied for, and was successful in obtaining a federal CMAQ PM-10 grant for paving the road shoulder on both sides of San Lorenzo Road from Hermosa Drive to 140 feet west of Camino Real. In August 2008 Caltrans issued the authorization to proceed with Preliminary Engineering for this project. The City has completed all of the required environmental analyses, and obtained the environmental approval from Caltrans for the San Lorenzo Shoulder Paving project on January 8, 2009.

ITEM NO. 2.V.

The Engineering staff has prepared the plans and specifications for shoulder paving, and minor roadway widening.

On July 15, 2009 The City Council approved the plans, specifications, and working details for the San Lorenzo Shoulder Paving Project, City Project No. 08-05 and authorized the bid process, and on April 13, 2010 Caltrans authorized the City to proceed with construction.

On May 22 and May 29, 2010 the project was advertised for bids, and at 3:00 p.m. on June 22, 2010, the Procurement and Contracting Manager received construction bids from the following contractors:

1. Superior Paving Company, Inc. dba United Paving Company, La Mirada, CA	\$ 64,351.00
2. S and S Grading and Paving, Inc., Norco, CA	\$ 78,219.00
3. The C&R Construction Group, Inc., Loomis, CA	\$ 79,839.79
4. NPG Inc., Perris, CA	\$ 83,606.00
5. ICE Engineering, City of Industry, CA	\$ 94,280.00
6. Hardy & Harper, Inc., Santa Ana, CA	\$ 97,945.00
7. Imperial Paving Co. Inc., Santa Fe Springs, CA	\$110,000.00
8. Granite Construction Company, Watsonville, CA	\$113,690.00
9. M & E Construction, Riverside, CA	\$124,412.50
10. Tri-Star Contracting II, Inc., Desert Hot Springs, CA	\$125,747.50
11. Cooley Construction, Inc., Hesperia, CA	\$127,000.00

The Engineer's Estimate was \$120,000. The lowest, responsive, responsible bidder is United Paving Company, which is a California Corporation, located in La Mirada, California, and its principal officers are Sabas Trujillo, President, and Steve Fitzpatrick, Vice President.

On June 24, 2010, the Public Works & Engineering Department received a telephone call from United Paving Company, and the Company's Estimator stated that there was a "clerical mistake" in their Bid. The Bid should have been \$10,000 higher, and they wanted to "disqualify" themselves. We advised them that the company must submit a request in writing to withdraw their bid with justification. The estimator did not explain what kind of clerical mistake was made. The Public Works and Engineering Department did not receive any letter, e-mail, or phone call from United Paving Company since the initial phone call.

In accordance with the Palm Springs Municipal Code, Title 7 Procurement and Contracting, Chapter 7.08 Procedures for Bid Corrections, Objections and Appeals, a request for withdrawal shall be made in writing within five days after bid opening.

"7.08.020 Correction or withdrawal of bids for goods and services.

(1) Before bid opening, correction or withdrawal of inadvertently erroneous bids for goods and services may be permitted only in accordance with this section. Mistakes discovered before bid opening may be modified or withdrawn by written, telegraphic, or electronic notice received in the office designated in the invitation for bids prior to the date and time set for bid opening.

(2) **Any request filed for withdrawal shall be made within five days after bid opening.** A bidder shall not be relieved of the bid unless by consent of the awarding authority nor shall any change be made in the bid because of mistakes except a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if the bidder shall establish the following to the satisfaction of awarding authority:

(a) A mistake was made;

(b) **The bidder gave the public entity written notice within five days after the opening of bids of the mistake, specifying in the notice in detail how the mistake occurred;**

(c) The mistake made the bid materially different than the bidder intended it to be; or

(d) The mistake was made in filling out the bid and not due to error in judgment or to carelessness in inspecting the site of the work or in reading the plans or specifications.

(3) A bidder who claims a mistake or who forfeits his or her bid security by refusing or failing to execute the contract shall be prohibited from participating in further bidding on the project on which the mistake was made or security forfeited.

(4) If the city council deems it is in its best interest, it may, on refusal or failure of the successful bidder to execute the contract, award it to the second lowest bidder. If the second lowest bidder refuses or fails to execute the contract, the awarding authority may likewise award it to the third lowest bidder. On the failure or refusal of the second or third lowest bidder to execute the contract, the security of the second, third or other bidder shall be likewise forfeited. (Ord. 1605 § 1 (part), 2002)."

Since the lowest bidder, United Paving Company, did not submit any request for withdrawal in accordance with the Code, staff recommends the approval of a contract agreement with United Paving Company for the San Lorenzo Shoulder Paving Project. If United Paving Company refuses or fails to execute the contract, the bid bond (10% of

the bid amount) shall be forfeited and the City Council may award the contract to the second lowest bidder in accordance with the Municipal Code.

FISCAL IMPACT:

This project is funded with 88.53% in federal grant funds through the CMAQ PM-10 grant, account 261-4491-50273, and with 11.47% local matching funds in account 134-4498 (No. to be assigned).

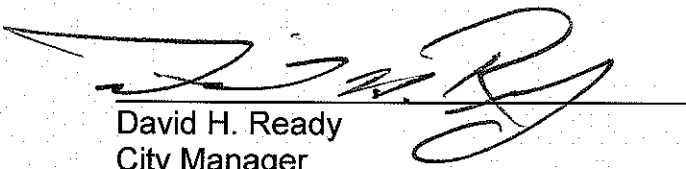
Submitted:



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