

Agenda Report

TO: CITY COUNCIL

DATE: August 13, 2007

FROM: CITY MANAGER

SUBJECT: CONTRACT AWARD TO VASILJ, INC. DBA IVANKO FOR ARROYO PARKWAY MIDDLE SEWER CONSTRUCTION FOR AN AMOUNT NOT TO EXCEED \$700,000

RECOMMENDATION

It is recommended that the City Council:

1. Accept the bid dated July 24, 2007, submitted by Vasilj, Inc. dba Ivanko for Arroyo Parkway Middle Sewer Construction; reject all other bids received; authorize the City Manager to enter into such contract for a "not to exceed" amount of \$700,000;
2. Grant Dominguez General Engineering Inc., the apparent low bidder, their request to withdraw their bid on the basis of clerical error, and authorize the office of City Clerk to return the bid bond.
3. Acknowledge the project to be statutorily exempt under the California Environmental Quality Act in accordance with Title 14, Chapter 3, Section 15282(k); authorize the City Manager to execute and the City Clerk to file a Notice of Exemption for the project with the Los Angeles County Clerk.

BACKGROUND

This project is part of the Sewer Capacity Upgrades at Various Locations Project, and is included in the FY 2008-2012 Capital Improvement Program. It provides for the replacement or relief of existing sewer pipes throughout the City that are hydraulically deficient, as identified in the City's Master Sewer Plan. The improvements are required to accommodate current and future sewer flows. The construction of these improvements will improve the system reliability, and reduce the frequency of maintenance by City crews.

The Arroyo Parkway Middle Sewer is one of the locations listed in the aforementioned project. The work consists of constructing approximately 3,000 feet of 12-inch diameter clay pipe between California Boulevard and Glenarm Street.

Under the provisions of the California Environmental Quality Act (CEQA), this project is statutorily exempt. It includes the installation of new pipeline within the public right of way, and does not exceed one mile in length.

The Department of Public Works prepared Plans and Specifications for the subject project. In accordance with Section 4.08.070 of the Pasadena Municipal Code, bids have been requested and received. The project was advertised in the Pasadena Journal on July 5, 2007. In addition, the Notice Inviting Bids was published in four trade publications, listed on two web sites, and mailed out to 16 potential bidders. Bid packets were obtained by 27 contractors, nine of whom submitted bids for the project.

Following advertising, bids were opened on July 24, 2007, and are as follows:

	<u>Bidder</u>	<u>Amount</u>
1.	Dominguez General Engineering Inc., Rosemead	\$ 428,650
2.	Vasilj, Inc. dba Ivanko, Irwindale	\$ 635,140
3.	Albert W. Davies, Inc., Rancho Cucamonga	\$ 642,320
4.	Garcia Juarez Construction Inc., Brea	\$ 719,530
5.	Cedro Construction Inc., Santa Paula	\$ 752,545
6.	Clarke Contracting Corp., Lawndale	\$ 794,170
7.	Ramona Inc., Arcadia	\$ 836,400
8.	Majich Bros., Inc., Altadena	\$ 890,920
9.	Mike Pritch and Sons Inc., El Monte	\$ 896,690
	Engineer's Estimate	\$ 741,250

Dominguez General Engineering Inc. has requested that their bid be released and their bid bond be returned due to a clerical error. Public Contract Code, Section 5101 allows relief of a bid by the Awarding Authority on the basis of a clerical error. Dominguez has submitted documentation showing that they inadvertently underestimated their bid by about \$80,000 by failing to include overhead and profit costs. Dominguez's bid was in the amount of \$428,650, the second low bid was \$635,140, and the Engineer's Estimate was \$741,250. Based on the large discrepancy in Dominguez's bid from the second low bidder and from the Engineer's Estimate, and based on the documentation reviewed by staff, it is staff's conclusion that there was, in fact, a clerical error in the bid, and staff recommend that Dominguez be allowed to withdraw their bid without penalty.

It is recommended that Vasilj, Inc. dba Ivanko be awarded the contract for this project as they are the lowest responsive and responsible bidder. The proposed contract with Vasilj, Inc. dba Ivanko fully complies with the Competitive Bidding and Living Wage Ordinances. The Contractor has indicated that the award of this contract will result in zero new hire to his present workforce.

The proposed contract will be set up as follows:

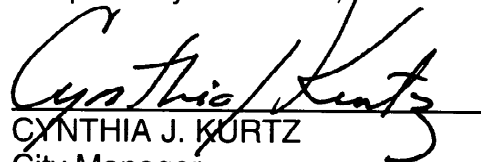
Base Bid	\$ 635,140
Contingency Allowance	64,860
Contract "Not to Exceed" Amount	\$ 700,000

It is anticipated that the project will begin in October 2007 and be completed in February 2008.

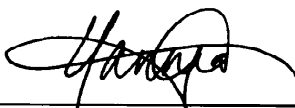
FISCAL IMPACT

Sufficient funds for this project are available in Capital Improvement Budget Account 76999, Sewer Capacity Upgrades at Various Locations.

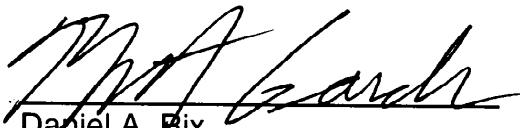
Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

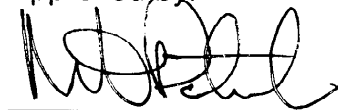
Prepared by:


for Stephen Walker
Principal Engineer

Reviewed by:


for Daniel A. Rix
City Engineer

Approved by:


Martin Pastucha, Director
Department of Public Works

Disclosure Pursuant to the

City of Pasadena Taxpayer Protection Amendment of 2000
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:

VASILJ, INC. DBA IVANKO

2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

IVA VASILJ
ROBERT VASILJ
IVAN VASILJ
LUKA VASILJ
JOSIP VASILJ

3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization: (MUST NOT BE LEFT BLANK, IF NONE, WRITE NONE)

IVA VASILJ
IVAN VASILJ
ROBERT VASILJ

Prepared by: JOHN GANLAN
Title: MANAGER
Date: 7/23/07

For office use only:
Contract/Transaction No. _____
If not a contract, type of transaction: _____