

# Agenda Report

To: City Council

November 6, 2000

From: City Manager

Subject: Authorization to Enter into a Contract with Perry C. Thomas Construction, Inc. for the Construction of an Underground Electrical Conduit System in Malcolm Drive and Colorado Boulevard – Specification LD-00-1, and Reject All Bids for the Construction of Underground Electrical Conduit System in La Loma Road – Specification LD-00-5, Avenue 64 and Rosita Lane – Specification LD-00-4

## RECOMMENDATION

It is recommended that the City Council:

1. (a) Accept the bid dated August 21, 2000 submitted by Perry C. Thomas Construction, Inc. in response to Specification LD-00-1 for the above subject; (b) reject all other bids; and (c) authorize the City Manager to enter into a contract for an amount not to exceed \$605,413.
2. Authorize the City Manager to enter into a contract with Charter Communications for reimbursement for work; approve a journal voucher recognizing \$34,658 from Charter Communications for said work; and transferring this amount to Budget Account Number 704999, Malcolm Drive and Colorado Boulevard.
3. Reject all bids received for the following projects:
  - a. Construction of an underground conduit system in La Loma Road – Specification LD-00-5
  - b. Construction of an underground conduit system in Avenue 64 and Rosita Lane – Specification LD-00-4

## SUMMARY

City Council has placed a moratorium on placing utility lines underground until the stranded investment surcharge is lifted. Once the stranded investment has been fully funded by surcharges, the underground program will be continued.

However, it is recommended that the Avenue 64 Underground Utility District 96-1 project proceed at this time to prevent the loss of federal funds for street resurfacing. The Public Works and Transportation Department has awarded a contract to resurface this portion of Colorado Boulevard using federal funds. Delaying the resurfacing work would result in the possible loss of federal funds and would also result in further deterioration of the roadway to the extent that a more costly complete reconstruction would be required.

The Water and Power Department has received bids to construct underground electrical conduit systems for the Avenue 64 Underground Utility District 96-1 and the future San Rafael Power Substation. Since part of the underground electrical conduit system for the substation overlaps that of the Underground Utility District, both projects were combined. This combined project was divided into three portions. The lowest bid price received for this portion of the project at Colorado Boulevard was within staff's cost estimate. However, the bid price received for the other two portions substantially exceeds staff cost estimates.

Staff recommends that the contract be awarded for the underground work in Malcolm Drive and Colorado Boulevard project and that the bids for the remaining two portions be rejected and readvertised. By proceeding with this project immediately, the Colorado Boulevard resurfacing project will be able to be completed on schedule to receive the necessary federal funding.

## BACKGROUND

Three separate specifications for providing labor and materials for construction of electrical conduit systems were issued on July 27, 2000 for the Department. The project was divided into three separate portions so that traffic and other disruptions to the neighborhood can be minimized. Also, by reducing the size of the project, it provides opportunity for more firms to bid for the project. The three portions of the project are: Malcolm Drive and Colorado Boulevard; La Loma Road; and Avenue 64 and Rosita Lane.

The City of Pasadena has a continuing program to place all overhead utility lines underground and remove wooden utility poles. On December 9, 1996, the City Council approved the establishment of Underground Utility District 96-1. The proposed work in

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Malcolm Drive, La Loma Road, Avenue 64 and Rosita Lane is to underground the utilities within the boundaries of this District.

The Water and Power Department, Pacific Bell and Charter Communications have agreed to utilize a joint trench to reduce construction time, costs and inconvenience to residents. The proposed work in Colorado Boulevard is to provide a connection between the future San Rafael Substation and the conduit systems in Avenue 64 and La Loma Road.

On August 21, 2000, four bids were received and opened for the work in Malcolm Drive and Colorado Boulevard. The staff's cost estimate is \$764,401. The bids were as follows:

<u>BIDDER</u>	<u>BID AMOUNT</u>
Perry Thomas Construction, Inc.	\$ 598,333
Sim J. Harris Communications	\$ 670,100
Doty Brothers	\$ 681,217
Lambco Engineering	\$1,279,255

On August 22, 2000, four bids were received and opened for the work in Avenue 64 and Rosita Lane. The staff's cost estimate is \$2,033,641. The bids were as follows:

<u>BIDDER</u>	<u>BID AMOUNT</u>
Irish Construction	\$2,929,233
Doty Brothers	\$3,069,000
Sim J. Harris Communications	\$3,118,122
Perry Thomas Construction, Inc.	\$3,575,513

On August 23, 2000, five bids were received and opened for the work in La Loma Road. The staff's cost estimate is \$1,146,211. The bids were as follows:

<u>BIDDER</u>	<u>BID AMOUNT</u>
Sim J. Harris Communications	\$1,941,906
Irish Construction	\$1,996,671
Perry Thomas Construction, Inc.	\$2,205,156
Doty Brothers	\$2,327,246
Northwest Excavating, Inc.	Bid Withdrawn

The bid price received for the work in Avenue 64, Rosita Lane and La Loma Road substantially exceeds the staff's cost estimate. The bid price received for the work in Malcolm Drive and Colorado Boulevard is within the staff's cost estimate.

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Staff has considered the following four alternatives:

1. The Department reject all bids for this project. Revise the specifications and reissue for bid at a later date. Water and Power Department and Public Works & Transportation Department (PW) staff will revise the Specification in order to potentially lower construction costs. Some of the possible revisions under consideration are as follows:
  - a. Schedule the project construction to a less busier time of the year
  - b. Reduce the number of traffic lanes to be kept open during construction
  - c. Permit more construction hours
  - d. Provide nearby temporary storage location for equipment and materials
  - e. Permit slurry backfill instead of dirt backfill
  - f. Provide more information of the soil and ground water conditions

PW to delete Colorado Boulevard from the street resurfacing contract, which will result in the potential loss of \$90,000 in federal funds. Since the street is in poor condition, any further delays may incur additional expense of street reconstruction in the future.
2. The Department reject all bids and revise Specification and bid at a later date. PW will proceed with the resurfacing of Colorado Boulevard. Upon completion of their project at a later date, the Water and Power Department would incur the expense of extensive street resurfacing.
3. Public Works & Transportation Department to proceed with resurfacing of Colorado Boulevard. Water and Power Department to reject all bids and schedule project after the five year moratorium for utility cuts in resurfaced street. The Department's project will be delayed for five years.
4. The Department to award the contract for the portion of the project at Colorado and Malcolm Drive reject bids and readvertise with revised Specification for the other two portions. The lowest bid price for the work at Colorado Boulevard is within staff's cost estimate. Public Works & Transportation Department to resurface Colorado Boulevard with federal funding.

After careful evaluation of the above alternatives, staff proposes to proceed with Alternative 4. The bid price submitted by Perry Thomas for the project at Malcolm Drive and Colorado Boulevard was the lowest and is responsive to the requirements of the specifications. The award includes additional 10% provision for any necessary change orders.

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Bid price includes Pacific Bell and Charter Communication's portion:	\$598,333
Pacific Bell separate contract with Perry Thomas Construction, Inc.	<u>\$ 47,958 -</u>
City's contract price:	\$550,375
Add 10% for change order provision	<u>\$ 55,038 +</u>
<b>Contract price with change order:</b>	<b>\$605,413</b>


Note: Pacific Bell prefers to execute their own separate contract with Perry Thomas Construction, Inc. Charter Communication's portion of the project will be constructed under the City's contract.

Perry Thomas has submitted the required affirmative action forms. The firm is woman-owned and is located in Arcadia. Currently, there are ten permanent employees, five are minority and two are female, none of which are Pasadena residents. Perry Thomas has indicated that it will be using a total of eight people in the performance of this work, one of which will be a new hire. Also, there will be no subcontracting of any work on this project. The proposed contract is in compliance with the Affirmative Action in Contracting Ordinance P.M.C. 4.09 and the rules and regulations promulgated thereunder.

#### FISCAL IMPACT

Funds for this project have been budgeted in Fiscal Year 2000, Power Fund, Capital Improvement Project, Account No. 3130, San Rafael Transmission Line; and Underground Utility Surtax Special Activity Fund, Account No. 704999, Avenue 64 Underground Utility

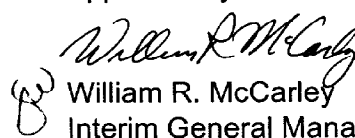
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Concur:

  
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