

# Agenda Report

To: City Council

Date: June 9, 2003

From: City Manager

Subject: Rescind contract 18,148 with Lambco Engineering, Inc. for the construction of underground electrical conduit systems, vaults and other miscellaneous work for the Water and Power Department – Specification LD-02-10

## RECOMMEND

It is recommended that the City Council rescind contract 18,148 awarded to Lambco Engineering, Inc. on March 3, 2003.

## BACKGROUND

In December 2002, the Water and Power Department issued a bid for the construction of underground conduit systems, vaults and other miscellaneous work. The resulting contract was to enable the Water and Power Department to further its underground program by providing customer service installations, pull boxes, vaults, and other work as the need arises throughout the year. Also, this contract is to be used to extend existing underground systems where the extension of overhead facilities is not feasible.

Lambco Engineering, Inc. was the lowest responsive bidder and was awarded contract 18,148 for an amount not to exceed \$950,000 annually. However, after one month of performing work under the contract, Lambco Engineering, Inc., notified the Department that it could no longer provide the insurance coverage required by the contract. It is therefore recommended that the City Council rescind the contract.

The Department desires to make some changes to the specifications to better accomplish the work and will rebid the project once these changes are made.

Agenda Report  
Lambco Engineering, Inc.  
June 9, 2003  
Page 2 of 2

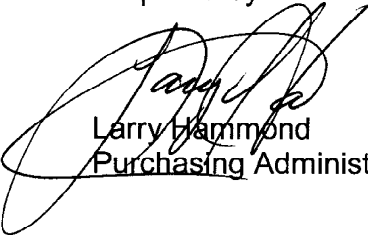
FISCAL IMPACT

The cost to rebid the project is negligible.

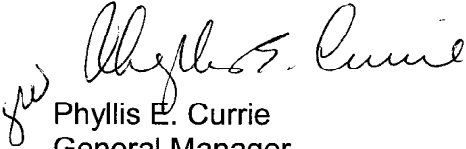
Respectfully submitted,

  
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