

# Agenda Report

TO: CITY COUNCIL

March 8, 2004

FROM: City Manager

SUBJECT: Contract Award to Nikola Corporation for the Laguna Road Trunk Sewer – Phase 3, Hillside Terrace to 360 feet Northwest of San Rafael Avenue, for an Amount Not to Exceed \$ 193,000.00

## RECOMMENDATION:

It is recommended that the City Council:

1. Accept the bid dated February 25, 2004, submitted by Nikola Corporation in response to the Specifications for Laguna Road Trunk Sewer – Phase 3, Hillside Terrace to 360 feet Northwest of San Rafael Avenue; reject all other bids received; and authorize the City Manager to enter into such contract as is required.
2. Acknowledge the project to be categorically exempt under Section 21084 of the California Environmental Quality Act of 1984 in accordance with Article 19, Section 15301 (b) of the Resources Agency of California Guidelines (minor expansion of sewerage system with no expansion of use) pursuant to the findings of the Secretary of the Resources Agency, and 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:

The project provides for replacing structurally defective and hydraulically deficient reaches of the Laguna Road trunk sewer. This is the third phase of the multi-phase project that calls for replacing the undersized and deteriorated line along the full length of Laguna Road from Hermosa Road to San Rafael Avenue – a distance of slightly less than one mile. Phases 1 and 2, which replaced deficient and deteriorated pipes, were completed in October 2000 and January 2002, respectively.

The work consists of removing 12-inch diameter vitrified clay pipes and replacing them with 15-inch diameter vitrified clay pipes between 901 Laguna Road and 1040 Laguna Road. The sewer mainline will be relocated away from the existing water mainline between 1000 Laguna Road and 1040 Laguna Road in order to meet the health code ordinance.

A finding of compliance with the General Plan was previously made and the project is shown on page 6.10 of the FY 2003-2008 Capital Improvement Program.

Under the State Guidelines for the Implementation of the California Environmental Quality Act (CEQA), this project is categorically exempt since the work consists of minor alterations involving no expansion of use beyond that previously existing. Therefore, it is recommended that a Notice of Exemption be filed with the Los Angeles County Clerk.

This project was initially advertised on December 4, 2003; and on January 7, 2004, bids were opened. In reviewing the bids, an error in the bid documents was discovered, resulting in the necessity for re-advertisement. On January 26, 2004, the City Council approved a recommendation that all bids be rejected. The Department of Public Works has corrected the error in the project specifications, and bids have again been requested and received.

The project was re-advertised in the Pasadena Star News on February 2, 2004. In addition, the Notice Inviting Bids was published in five trade publications. Bid packets were obtained by 21 Contractors, 13 of whom submitted bids for the project.

Following advertising, bids were received on February 25, 2004, and are as follows:

	<u>Bidder</u>	<u>Amount</u>
1.	Nikola Corp., Irvine	\$175,687.00
2.	Dominguez General Engineering Const., Rosemead	\$184,503.00
3.	Grgo & Gordon Grbavac Const. Co. Inc., Baldwin Park	\$196,250.00
4.	V C I Telecom, Inc., Upland	\$204,191.00
5.	Clarke Contracting Corp., Lawndale	\$210,690.00
6.	Prkacin Co., Glendale	\$214,825.00
7.	S R D Engineering Inc., Anaheim	\$216,380.00
8.	Vasily Company, Inc., Shadow Hills	\$231,580.00
9.	Cedro Construction Inc., Santa Paula	\$233,018.00
10.	Southern California Underground Contractors, Inc., Brea	\$234,850.00
11.	Tomovich & Associates, South El Monte	\$240,080.00
12.	Williams Pipeline Contractors, Inc., Somis	\$259,925.00
13.	Mladen Grbavac Construction, Arcadia	\$261,450.00
	Engineer's Estimate	\$222,500.00

It is recommended that Nikola Corporation be awarded the contract for this project as they are the lowest responsive and responsible bidder and that the other bids be rejected. The proposed contract with Nikola Corporation fully complies with the competitive bidding ordinance and the rules and regulations promulgated thereunder as did the Contractor selection process. The Contractor has indicated that the award of this contract will result in no new hires to his present workforce.

The contract for this project will be set up as follows:

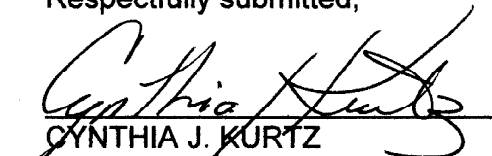
Base Bid	\$ 175,687.00
Contingency Allowance	\$ 17,313.00
Contract "Not to Exceed" Amount	\$ 193,000.00

Construction will begin in April 2004.

FISCAL IMPACT:

Funds for this project are available in Budget Account No. 76534, Laguna Road Trunk Sewer - Rehabilitation.

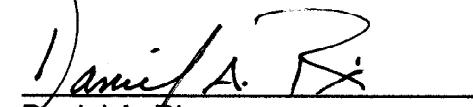
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

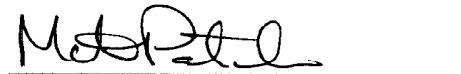
Prepared by:

  
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Approved by:

  
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Department of Public Works