



CITY OF LONG BEACH R-22

DEPARTMENT OF PUBLIC WORKS

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April 19, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Terminate contract No. 31977 with Elite Bobcat Services, Inc., (EBS) for the Annual Contract for Concrete Repairs and Related Improvements; award a new contract as amended with the next lowest responsible bidder, Bitech Construction Co., Inc, in an amount not to exceed \$4,000,000 annually for the Annual Contract for Concrete Repairs and Related Improvements as described in Plans and Specifications No. R-6866; and authorize the City Manager to execute the contract and any necessary amendments thereto. (Citywide)

DISCUSSION

In November 2010, the City bid out the City's "Annual Contract for Concrete Repairs and Related Improvements" and on January 4, 2011, awarded a contract to the low bidder, Elite Bobcat Services, Inc. The annual contract provides the City with fixed unit prices for a 12-month period to construct concrete-related improvements. Work generally performed under this contract includes the repair and replacement of sidewalks, driveways, curbs and gutters, curb ramps, concrete cross gutters, bus stops, alleys, and related improvements.

The contract documents were fully executed by all parties in February, and in March, the City issued its first work order to repair sidewalks and curbs. Upon reviewing the work locations, the contractor informed the City that the bid tendered to the City for this contract did not specifically include single addresses and that these requests resulted in considerable inefficiency and could not be done at the prices included in their bid. Staff attempted to work out a revised price with the contractor to resolve this matter, but could not come to a mutually agreeable price. The contractor is refusing to perform the work at the unit prices bid and has requested that the contract be terminated.

The City contacted the second lowest bidder to determine if they would still be willing to do the contract work, including singular addresses, at the unit prices bid back in December. They responded that they could not and declined to accept the contract.

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The City then contacted the third lowest bidder, who has responded that they will perform the work, including singular addresses within a block, at the unit prices bid by them. The difference in contract price between EBS and the third lowest bidder is approximately 7 percent.

This is an on-call contract where work is only done by the contractor based on individual work orders issued by the City and does not include any guaranteed minimum payment or retainer fee to the contractor. Payment to the contractor under this contract will be based on the number of work orders issued by the City and fully completed by the contractor. It is recommended that the on-call contract be awarded for an aggregate amount of \$4 million. This figure represents the average use of these services by the City over the last three contract periods and is not a guarantee of work for this contractor in this amount, but only an allowable contract authority should the work be needed.

The contract specifications allow for an extension of the contract for up to two additional one-year terms. In the event that a renewal option is exercised, the City will provide advance notification to the contractor and require any price increase to be submitted to the City Engineer for approval at least 60 days prior to expiration of the contract. The City reserves the right to accept or reject any price increase or to cancel the contract.

This matter was reviewed by Deputy City Attorney Linda Trang and by Budget Management Officer Victoria Bell on April 7, 2011.

SUSTAINABILITY

All concrete removed under this contract will be recycled as base rock for street construction. New concrete installed under this contract will utilize waste ash diverting this material from local landfills.

TIMING CONSIDERATIONS

City Council action on this matter is requested on April 19, 2011, in order to provide for the timely construction of sidewalk, curb, and other concrete-related improvements budgeted in Fiscal Year 2011.

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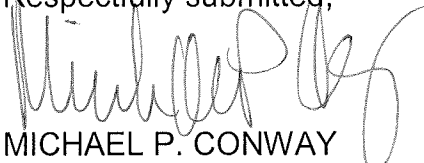
FISCAL IMPACT

Based on historical and anticipated usage by all City departments, the estimated amount of work orders that will be issued under this on-call contract is \$4,000,000 annually. Individual work orders issued under this contract will be funded by the department issuing the purchase order within their current appropriations; no appropriation increases are required. Approximately 100 full-time equivalent positions will be generated by this contract.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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APPROVED:



PATRICK H. WEST
CITY MANAGER