



# CITY OF LONG BEACH

# R-32

## DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

April 1, 2008

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

### RECOMMENDATION:

Rescind the award of the contract to The SJ & B Group, Inc for the Atherton Storm Drain between Hackett Avenue and Knoxville Avenue (Plans and Specifications No. R-6732) and authorize the City Manager to award the contract to the second lowest bidder, Palp, Inc. dba Excel Paving, in an estimated amount of \$1,229,431 plus a 25 percent contingency amount, if necessary. (District 4)

### DISCUSSION

On February 12, 2008, the City Council awarded the above referenced contract to the lowest bidder, The SJ & B Group, Inc. (Contractor), in the amount of \$1,183,350. Subsequently, the Contractor has failed to fully execute the contract and provide the associated bonds and insurance in order to proceed with the construction of the project. In addition, the Contractor has informed the City they will not be able to perform under the contract. As a result, the City is recommending that the award be rescinded and that the contract be awarded to the next lowest bidder. In addition, the City will declare the bid security to be forfeited, and the bond for the bid security in the amount of \$46,081 (the difference between the lowest and second bidders) will be deposited into the City Treasury.

This matter was reviewed by Principal Deputy City Attorney Charles Parkin on March 24, 2008 and by Budget Management Officer Victoria Bell on March 24, 2008.

### TIMING CONSIDERATIONS

City Council action on this matter is requested on April 1, 2008 to authorize commencement of this Public Works project. Construction is projected to begin in May 2008 and should take approximately 120 working days.

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HONORABLE MAYOR AND CITY COUNCIL

April 1, 2008

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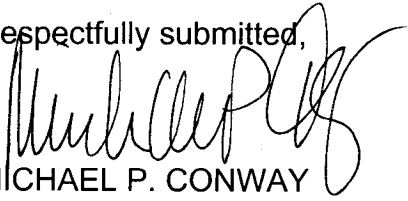
FISCAL IMPACT

The contract award to the second lowest bidder is for an estimated amount of \$1,229,431 plus a 25 percent contingency amount of \$307,357, if necessary. This amount is \$46,081 greater than the original award, but will be recovered through the forfeiture of the bid bond of the original low bidder, The SJ & B Group Inc. Sufficient funds to cover the contract are budgeted in the Transportation Fund (SR182) in the Department of Public Work (PW). The funding source is Proposition C. Please note that the money recovered from the bid bond will also be deposited in the Transportation Fund (SR182).

SUGGESTED ACTION:

Approve recommendation.

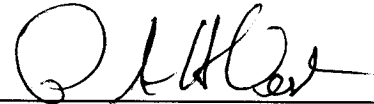
Respectfully submitted,



MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

MAC:db  
P/CL/R-6732

APPROVED:



PATRICK H. WEST  
CITY MANAGER