



STAFF REPORT

5/23/2023

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: THOMAS BEKELE
PUBLIC WORKS DIRECTOR**

SUBJECT: REJECT ALL BIDS FOR THE 33RD STREET WATER MAIN REPLACEMENT PROJECT (PROJECT NO. 95.22003), AND RE-BID THE PROJECT

Summary:

Staff is proposing to reject all bids and re-bid the 33rd Street Water Main Replacement Project (Project No. 95.22003) (the "Project"). The scope of work for the Project includes the replacement of approximately 2,639 linear feet of existing cast iron water main in place with approximately 1,345 linear feet of 12-inch diameter ductile iron water main and approximately 1,294 linear feet of 16-inch diameter ductile iron water main, located on East 33rd Street between California Avenue and Walnut Avenue in the City of Signal Hill. Staff is seeking City Council approval to reject all bids and authorize the rebidding of the Project.

Recommendation:

Authorize the Public Works Director to reject all bids received for the 33rd Street Water Main Replacement Project, pursuant to Section 4.5 of the City of Signal Hill Purchasing and Contracting Guidelines and authorize re-bidding of the Project.

Fiscal Impact:

The total current budget for the 33rd Street Water Main Replacement Project (Project No. 95.22003) is \$2,732,146. The budget for construction and construction management is \$2,443,274; the balance of the Project costs are allocated to the completed engineering design and anticipated engineering support services during construction. The Project is funded by a federal American Rescue Plan Act 2021 (ARPA) grant.

Strategic Plan Objective:

Goal No. 4: Maintain and improve the public infrastructure.

Background:

The City owns and maintains over 50 miles of potable water distribution and transmission pipelines in diameters ranging from 4” to 20”. Approximately 15 miles of these pipelines consist of cast iron material. These cast iron pipes were installed prior to the 1970s as the City began to transition away from this material during that time. As cast iron pipes approach the end of their useful life, they become more expensive to maintain are more prone to leaks and breaks and therefore require more frequent and costly emergency repairs. As a result, Public Works identified the replacement of these aging cast iron water mains with new ductile iron material as a priority in the 2018 Water Master Plan for the long-term maintenance of the City’s water infrastructure. The replacement of the water main on 33rd street between California Avenue and Walnut Avenue was identified by staff as a high priority among the City’s cast iron water mains due to the historical frequency of costly breaks and leaks on that segment of pipe.

On November 18, 2021, City staff issued a Notice to Proceed to on-call engineering consultant Michael Baker International (MBI) to prepare engineered plans and specifications for the replacement of the cast iron water main and curb-to-curb pavement restoration within the Project limits for a not-to-exceed design cost of \$266,720. Subsequently, on March 1, 2023, MBI provided final bid-ready plans and specifications. The Public Works Department and City Engineer reviewed and approved the plans and specifications.

Analysis:

Bid Circulation Process:

On March 30, 2023, a Notice Inviting Bids for the Project was posted at the City’s public notice locations, sent to subscribers through the City’s website and posted on PlanetBids via the City’s portal. In addition, a non-mandatory pre-bid conference was held virtually via Microsoft Teams on April 11, 2023, to inform prospective bidders of the scope of work and review bid requirements; bids were due on May 4, 2023.

Bid Results:

The table below lists the bids received by the bid due date of May 4, 2023:

Table 1: Bids Received

Bidder	Bid Amount
CEM Construction Corp.	\$2,174,908.50
Teichert Energy & Utilities, Inc. (dba Teichert Utilities)	\$3,342,112.00
PALP, Inc. (dba Excel Paving)	\$3,678,984.45
T.E. Roberts	\$4,006,610.00

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Rejection of Bids:

The lowest bidder, CEM Construction Corp. (CEM) submitted a bid in the amount of \$2,174,908.50, which is lower than the Engineer's estimate of \$3,342,112.00. Following the bid opening, the Public Works Department received bid protests from two firms Teichert Energy & Utilities, Inc. (Teichert) and The Center for Contract Compliance (CCC). Staff recommends the City Council to reject all bids and re-bid the Project.

Reviewed:

Sharon del Rosario

Approved:

Carlo Tomaino