



AGENDA REPORT

Meeting Date: December 21, 2010
Item Number: F-26
To: Honorable Mayor & City Council
From: Alan Schneider, Director of Project Administration
Charles Ackerman, Project Administrator 
Subject: REJECTION OF ALL BIDS FOR CONTRACT WORK PERTAINING TO
THE GREYSTONE HVAC UPGRADE PROJECT
Attachments: None

RECOMMENDATION

It is recommended that the City Council move to reject all bids for contract work pertaining to the Greystone HVAC Upgrade Project, located at 905 Loma Vista Drive, and authorize the rebidding of the work.

INTRODUCTION

Under the current Fiscal Year 2010-11 Capital Improvement Program (CIP), the Community Services Department identified a project for a new HVAC system for Greystone Mansion. The existing ventilation system is original to the facility and no longer functions.

DISCUSSION

Kaplan Chen Kaplan Architects was engaged to design and prepare the plans and specifications for the project, which consist of the installation of a new HVAC system including boiler, chiller and fan coil units to serve the Mansion. The scope of work includes all of the rooms except for the entertainment wing that houses the theater and bowling alley. The system design includes the reserve capacity to condition the entertainment wing in the future.

On November 17, 2010, bids were received after public advertising for the Greystone Mansion HVAC Upgrade. Twenty-two firms obtained bid documents for this project, which was advertised in the local Beverly Hills newspapers and construction trade publications, including the McGraw-Hill Construction Information Group (Dodge Report).

The bid package was issued with the base bid work covering the HVAC upgrade to the Mansion, and one deductive alternate bid to provide an option to reduce the project cost. Alternate #1 specified the deletion of the HVAC fan coils units and ductwork in the servants' wing.

Eight bids were received as follows:

<u>Bidder Base</u>	<u>Bid</u>	<u>Alternate #1</u>
Western Group Inc.	\$1,440,000	\$70,000
BBS Corporation Inc.	\$1,598,000	\$48,800
G2K Construction Inc.	\$1,720,000	\$45,000
Bon Air Inc.	\$1,772,000	\$105,000
JMS Air Conditioning & Appliance	\$2,023,280	\$166,475
Beta Investments & Contracts, Inc.	\$2,277,331	\$52,000
Air-Ex Air Conditioning, Inc.	\$2,277,331	\$72,000
Armond Baghraqmian	\$2,350,000	\$52,000

The pre-bid estimate for the entire scope of work was \$1,500,000.

The two low bidders, Western Group Inc. and BBS Corporation Inc. did not meet the minimum experience requirements for this project. The third low bidder, G2K Construction Inc. bid amount is approximately 12.5% greater than the low bidder and exceeds the pre-bid estimate. Upon consultation with the City Attorney's office, it was determined that the bids submitted by Western and BBS are deemed non-responsive. Therefore, staff recommends that all bids be rejected and the project be rebid.

Revised bid documents will be re-issued for bidding and it is anticipated that a recommendation for an award of contract will be submitted for the City Council's approval in January 2011.

 David D. Gustavson 
Approved By