



## AGENDA REPORT

**Meeting Date:** February 16, 2010  
**Item Number:** F-14  
**To:** Honorable Mayor & City Council  
**From:** Ara Maloyan, Deputy City Engineer *AM*  
Samer Elayyan, Civil Engineer *SE*  
**Subject:** REJECTION OF ALL BIDS FOR THE RELOCATION OF EXISTING FIBER OPTIC LINE AND THE CONSTRUCTION OF NEW INFRASTRUCTURE FOR FUTURE I.T. AND SECURITY EQUIPMENT AT WATER RESERVOIR 7 SITE, WITHIN THE CITY OF BEVERLY HILLS, CALIFORNIA, AND AUTHORIZE THE READVERTISING FOR BIDS.  
**Attachment:** None

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### RECOMMENDATION

Staff recommends that the City Council reject all bids for the relocation of existing fiber optic line and the construction of new infrastructure for future I.T. and security equipment at Water Reservoir 7 Site, within the City of Beverly Hills, California, and authorize the readvertising for bids.

### INTRODUCTION

This report is a request for City Council to reject all bids for the relocation of existing fiber optic line and the construction of new infrastructure for future I.T. and security equipment at Water Reservoir 7 Site due to multiple errors that were noted by staff in three of the five bids received on January 19, 2010.

### DISCUSSION

Within the City of Beverly Hills potable water distribution system inventory are five flat bottom, ground supported circular steel water reservoir tanks, all located at five separate sites (3A, 4B, 5, 6, and 7) within the City.

The 50-60 year old existing tanks, which are an integral part of the City's water distribution system, need to be replaced to meet current Department of Public Health (DPH) drinking water standards, seismic design standards, and Cal OSHA safety standards.

In October 2009, Final Design Plans and specifications for the replacement of these five water reservoirs, replacement of on-site piping, and seismic retrofitting of the associated pump stations were prepared by Montgomery Watson Harza (MWH) and provided to four prequalified contractors to bid on this project. Bids were opened on January 12, 2010, and a construction contract was awarded to Pacific Tank and Construction, Inc. at February 2, 2010 City Council meeting. The replacement work for the steel tanks will be sequential over a 30-month period (not concurrent), with a tentative construction start date of March 15, 2010.

The proposed new tank at Site 7 is being increased in height and diameter to create a 1.5 MG capacity instead of the existing 1.2 MG capacity. This increase in the foot print of Tank 7 will affect the existing City's fiber optic line and copper cables at the site. Consequently, relocation of these conduits is necessary before the construction of the new tank starts to avoid any interruption in the City's communication services. Also, the City's I.T. Department requested that infrastructure for future I.T. and security equipment be constructed as part of this project.

On December 14, 2009, the bid documents for the relocation of existing fiber optic line and the construction of new infrastructure for future I.T. and security equipment at Water Reservoir 7 Site were finalized by P2S Engineering, Inc. who was contracted by the City to prepare the design for this relocation project.

On December 17, 2009, a legal notice was posted in Beverly Hills Courier and Beverly Hills Weekly, on the City's website and was emailed to Bid America, Construction Bidboard, Reed Construction Data, and McGraw-Hill Construction Dodge requesting bids from specialized contractors. Bid documents specified that the contractor must be a Corning Cable Systems LAN-scape® Extended Warranty Program SM (EWP) member and must provide a twenty-five written warranty certification and evidence of current EWP program membership. The City's existing backbone fiber optic system (of which the existing line at Tank Site 7 is a branch of) when initially installed in 2003 carries a warranty that specifically requires the use of Corning Certified contractors so that the original 25 year-warranty remains valid.

On January 19, 2010, five bids were publicly opened in the City Clerk's Office and they were read as follows:

|                                    |              |
|------------------------------------|--------------|
| TekWorks, Inc.                     | \$49,510.69  |
| Berg Electric Corp.                | \$74,208.00  |
| Moore Electrical Contracting, Inc. | \$78,321.00  |
| Irish Construction                 | \$131,751.00 |
| W.A. Rasic Construction Co., Inc.  | \$142,142.00 |

The engineering construction estimate was \$70,000.00.

When bids were evaluated by staff, multiple errors were found in three of the five bids including the lowest bidder, and the second lowest bidder. After consultation with the City Attorney, staff determined that rejection of all bids and readvertising for bid would be in the best interest of the City. Once the bid rejection is approved by the City Council, staff will readvertise for bid, with a tentative new bid opening on March 16, 2010.

**FISCAL IMPACT**

The only fiscal impact to the City in rejecting all five bids is the bid readvertising cost, which will be approximately \$3,000.

Funds for this project are provided as follows:

| DEPT | FUND | PROJECT NUMBER | SUB-PROJECT NUMBER | FUNDING SOURCE        | AMOUNT      |
|------|------|----------------|--------------------|-----------------------|-------------|
| 35   | 80   | 0796           | 35-80-0796-85040   | Water Enterprise Fund | \$ 3,000.00 |

  
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Scott Miller  
Finance Approval

  
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David Gustavson  
Approved By