



## AGENDA REPORT

**Meeting Date:** April 21, 2015  
**Item Number:** D-21  
**To:** Honorable Mayor & City Council  
**From:** Mark Cuneo, City Engineer  
Anne Zaworski, Principal Civil Engineer  
**Subject:** REJECTION OF ALL BIDS FOR CONTRACT WORK PERTAINING TO REVERSE OSMOSIS WATER TREATMENT PLANT REHABILITATION PROJECT AT 345 FOOTHILL ROAD WITHIN THE CITY OF BEVERLY HILLS, CALIFORNIA; AND AUTHORIZE THE RE-ADVERTIZING FOR BID.

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### **RECOMMENDATION**

Staff recommends the City Council move to reject all bids for the construction work pertaining to the rehabilitation of the Reverse Osmosis Treatment Plant within the City of Beverly Hills and requests authorization to re-advertise the construction project for public bid.

### **INTRODUCTION**

The City's water treatment plant located at 345 Foothill Road requires maintenance related rehabilitation/repair and operational upgrades. A consultant with expertise in water treatment plant design and operations was retained to recommend appropriate repairs and upgrades and to prepare construction documents for this project. The project was advertised and bids were received and evaluated. Based on the evaluation of bids, staff recommends that all bids are rejected and the project is re-advertized in order to clarify the scope of work to prospective bidders.

### **DISCUSSION**

In June 2014, City Council approved Agreement No. 282-14 with GHD to provide engineering design and construction support services for the Rehabilitation/Upgrading of the City of Beverly Hills' Reverse Osmosis Water Treatment Plant. In January 2015, GHD completed the design and bidding documents for the construction phase of this project. The scope of work for the project includes reconstruction/rerouting of the existing deteriorated industrial waste line; the addition of baffle walls and an interior coating to the product water clearwell; new plant floor coatings and upgrading of existing

coatings; new chemical dosing pump skids; addition of electric actuators to certain manual valves; addition of air gaps for existing brine box and CIP tank/scavenger tank per regulatory requirements; and the addition of new control hardware and associated programming to improve plant operability.

A Notice Inviting Bids was published in the Beverly Hills Courier, Beverly Hills Weekly and on the City's web site. Bid documents were provided to five plan rooms and twenty-nine contractors. In February, staff conducted a mandatory pre-bid meeting and job walk which was attended by eighteen contractors. On February 24, 2015; seven bids were received and opened publicly and the preliminary results were as follows:

- RSH Canyon Springs Enterprises \$1,841,419.00
- Environmental Construction Inc. \$1,856,514.14
- United Engineering \$1,863,200.00
- Filanc \$2,525,000.00
- PPC Construction \$2,711,670.00
- Cora Constructors Inc. \$2,760,000.00
- Pascal & Ludwig Constructors \$2,967,000.00

Staff tabulated and reviewed all submitted bids. During the bid evaluation, staff noticed that the unit price assigned (by all seven bidders) for the Plant Coatings bid item fluctuated considerably between bidders and consequently after further analysis it became apparent that the Plant Coatings bid item as identified in the Contract Documents required more extensive clarification to ensure a fair and responsible bid response. After consultation with the City Attorney, staff determined that it is in the best interest of the City to reject all bids, request GHD to revise the Contract Documents for the project providing definitive clarification on Plant Coatings bid item and re-advertise the project for public bid. The updated project timeline is as follows:

Notice Inviting Bids To Be Advertised:	April 23 and May 1, 2015
Bid Opening:	May 14, 2015.
Contract Award:	June 8, 2015
Notice To Proceed:	July 6, 2015
R.O. Plant Online:	February 1, 2016
Project Closeout/Completion:	April 6, 2016

**FISCAL IMPACT**

There is minimal fiscal impact to the City in the rejection of all seven bids costing approximately \$5,000 to re-advertise for bids. Funds for this project are provided in the Reverse Osmosis Water Treatment Plant Rehabilitation Capital Improvement Project budget.

*MPC*  
*for* David Lightner  
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Approved By