



AGENDA REPORT

Meeting Date: September 4, 2007
Item Number: F-11
To: Honorable Mayor & City Council
From: Allen Rubenstein, Project Manager
Subject: REJECTION OF ALL BIDS FOR CONTRACT WORK PERTAINING TO THE CITY HALL CUSTOMER SERVICE CENTER PROJECT
Attachments: None

RECOMMENDATION

It is recommended that the City Council reject all bids for contract work pertaining to the City Hall Customer Service Center project and authorize the rebidding of the work.

INTRODUCTION

The Customer Service Center (CSC) on the ground floor of City Hall has the primary objective of providing a convenient, readily accessible, centralized location for customers that come to do most routine functions with the City. While many of the functions to be accommodated currently exist on the ground floor; the CSC will provide a new expanded level of convenience and service commensurate with what the public expects in Beverly Hills. In addition to processing development permits and Public Works permits, expanded services are to include issuance of parking permits, cashiering for bill payments and self-service computer stations to access City programs through its internet website.

The architectural firm of RTK Architects prepared the plans and specifications, which consist of demolishing the existing City Hall ground floor interiors, constructing a new reconfigured floor plan, and modifying the exterior entry from Rexford Drive. The project was advertised on June 4, 2007, and bids were received on August 2, 2007.

DISCUSSION

Many firms showed interest in the project, and nine firms participated in the mandatory pre-bid meeting that reviewed the scope of the work. For various reasons, only two firms submitted bids, as follows:

	<u>Base Bid</u>	<u>Comp. for Delay</u>	<u>Total Bid</u>
Icon West, Inc.	\$5,500,000	(left blank)	\$5,500,000
Moment Construction	\$7,477,000	\$14,000	\$7,491,000

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The bidders also submitted bids for four alternatives but those costs do not enter into the determination of the low bidder.

The low bidder, Icon West, Inc., failed to include any amount for Compensatory Delay. This provision provides for a specific dollar amount for compensation to the contractor should certain delays to the project occur that are not under the control of the contractor. In consultation with the City Attorney, this was determined not to be in conformance with the bid instructions and open to challenge from the other bidder. Therefore, staff recommends that the low bid should be rejected.

The staff further feels that Moment Construction's bid is excessively high over the low bidder and that it is in the City's best interest to reject both bids and re-bid the project. There is no certainty that re-bidding will result in the same or lower bids, but under the circumstances it is the prudent thing to do.

Plans will be re-issued for bidding with a bid date of September 17, 2007. It is anticipated that a recommendation for an award of contract will be submitted for the City Council's approval on October 2, 2007.



Scott Miller
Finance Approval


for _____
David D. Gustavson
Approved By