



CITY COUNCIL AGENDA REPORT

MEETING DATE: MAY 15, 2007

ITEM NUMBER:

SUBJECT: RELEASE OF CASH DEPOSIT FOR 10 PERCENT BID BOND IN CONNECTION WITH RFP NO. 1109 FOR AUDIO VISUAL SYSTEMS FOR THE POLICE FACILITY EXPANSION AND RENOVATION PROJECT

DATE: APRIL 17, 2007

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: ERNESTO MUNOZ, CITY ENGINEER (714) 754-5343

RECOMMENDED ACTION:

1. Release the cash deposit for 10 percent bid bond in the amount of \$31,431.41 to TV Magic, Inc., P.O. Box 546 San Clemente, CA 92674.

BACKGROUND:

On January 3, 2007, staff advertised RFP No. 1109 for the Audio Visual Systems for the Police Facility Expansion and Renovation Project. The project specifications included a contractual requirement that all bids be submitted with a bid bond in the form of cash, money order, a cashier's check, or by a surety bond in an amount equal to at least ten (10) percent of the bid. Said bond shall be forfeited in case the bidder depositing the bond does not, within ten (10) days after written notice, execute the contract.

ANALYSIS:

On February 12, 2007, the City received three (3) bids for the Audio Visual Systems RFP. TV Magic, Inc. submitted a cashier's check in lieu of a bid bond in the amount of \$31,431.41 in accordance with the project specifications. After evaluating the firms, TV Magic, Inc. was selected as the most qualified vendor. On April 3, 2007, City Council awarded a contract to TV Magic in the amount of \$314,314.11. The construction contract has been signed and the faithful performance bond has been issued.

All conditions of the RFP have been met and there is no necessity for the bid bond to be held any longer.

ALTERNATIVES CONSIDERED:

The alternative to this Council action would be to retain the bid bond. However, the project specifications state that when the firm enters into and executes a contract and faithful performance bond upon notification from the City, then the obligation of the bid bond shall become null and void. These conditions have been met; therefore, retention of the bid bond would be in violation of the project specifications.

FISCAL REVIEW:

There is no fiscal impact to the City relative to this item.

LEGAL REVIEW:

There is no legal review required relative to this item.

CONCLUSION:

All of the obligations of the bid bond have been met by the bidder. Therefore, staff recommends that the cash bid bond in the amount of \$31,431,41 be released to TV Magic, Inc.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

DISTRIBUTION: City Manager
Asst. City Manager
City Clerk
City Attorney
Staff