



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 4, 2007

ITEM NUMBER:

SUBJECT: RELEASE OF CASH DEPOSIT FOR TEN (10) PERCENT BID BOND IN CONNECTION WITH CONCRETE REPLACEMENT AT ESTANCIA PARK (1900 ADAMS AVENUE) AND GISLER PARK (1250 GISLER AVENUE) PROJECT - CITY PROJECT NO. 07-19

DATE: AUGUST 6, 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 bid bond in the amount of \$5,616.00 to Forsa Construction, 17601 South Denver Avenue, Gardena, CA 90248.

BACKGROUND:

On June 11, 2007, staff advertised City Project No. 07-19 for the Concrete Replacement at Estancia Park (1900 Adams Avenue) and Gisler Park (1250 Gisler Avenue). In compliance with Public Contract Code Section 20170, 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.

ANALYSIS:

The City Clerk received and opened ten (10) bids for this project on July 16, 2007. G2 Construction, Inc. was the apparent low bidder with a total bid proposal of \$33,280.00. Subsequently, G2 Construction, Inc. met all the required bidding obligations, and construction contract in the amount of \$33,280.00 will be awarded in accordance with the Purchasing Division procedures.

The sixth lowest bidder, Forsa Construction, submitted a bid proposal in the amount of \$56,160.00 and, in lieu of a bid bond, provided a cashier's check in the amount of \$5,616.00 in accordance with the project specifications. The Public Contract Code Section 20174 provides for the award of a contract to the lowest bidder and upon failure of the low bidder to execute a contract, the award to the second lowest bidder. As the sixth lowest bidder, Forsa Construction, would not be considered for award of contract and would have their cash deposit released following execution of a contract.

Since the low bidder, G2 Construction, has executed a contract, Forsa Construction's bid bond may be released accordingly.

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 bonds 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 low apparent bidder. Therefore, staff recommends that the cash bid bond in the amount of \$5,616.00 be released to Forsa Construction.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

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

ATTACHMENTS: "1" [Refund Request Form](#)