



CITY COUNCIL AGENDA REPORT

MEETING DATE: November 6, 2007

ITEM NUMBER:

SUBJECT: RELEASE OF CASH DEPOSIT FOR TEN (10) PERCENT BID BOND IN CONNECTION WITH ENERGY EFFICIENT ROOF COATING AT MESA VERDE LIBRARY, 2969 MESA VERDE DRIVE EAST, COSTA MESA - CITY PROJECT NO. 07-25

DATE: OCTOBER 4, 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 \$4,416.40 to Total Contract Maintenance, Inc., 26589 Ironwood Avenue, Moreno Valley, CA 92555.

BACKGROUND:

On August 20, 2007, staff advertised City Project No. 07-25 for the Energy Efficient Roof Coating at Mesa Verde Library, 2969 Mesa Verde Drive East, Costa Mesa. 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 nine (9) bids for this project on September 24, 2007. Lavey Roofing Services, Inc. was the apparent low bidder with a base bid proposal of \$24,000.00. Subsequently, Lavey Roofing Services, Inc. has met all the required bidding obligations, and a construction contract in the amount of \$24,000.00 will be awarded in accordance with the Purchasing Division procedures.

The third lowest bidder, Total Contract Maintenance, Inc. submitted a base bid proposal in the amount of \$29,224.00 and, in lieu of a bid bond, provided cashier's checks for a total amount of \$4,416.40 in accordance with the project specifications. Since the construction contract has been signed, the City does not need to resort to the second or third lowest bidder. Therefore, all conditions of the contract have been met and there is no necessity for the bid bond to be held any longer. The refund request form is included as Attachment "1".

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 all 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 \$4,416.40 be released to Total Contract Maintenance, Inc.

ERNESTO MUNOZ
City Engineer

WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

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

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

File Name: 07-25 Release Bid Bond Report

Date: 10/03/07

Time: 11:20 a.m.