



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 19, 2011

ITEM NUMBER:

SUBJECT: RELEASE OF CASH DEPOSIT FOR TEN (10) PERCENT BID BOND IN CONNECTION WITH FAIRVIEW PARK WETLANDS AND RIPARIAN HABITAT PROJECT - CITY PROJECT NO. 11-06

DATE: JULY 7, 2011

FROM: PUBLIC SERVICES DEPARTMENT/ENGINEERING DIVISION

PRESENTATION BY: PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: ERNESTO MUÑOZ, CITY ENGINEER, (714) 754-5335

RECOMMENDED ACTION:

Release the cash deposit in the amount of \$280,000.00 for the required ten (10) percent bid bond submitted by MG Construction and Development, Inc., 8900 Eton Avenue, Unit C, Canoga Park, California, 91304, in connection with the Fairview Park Wetlands and Riparian Habitat Project.

BACKGROUND:

On April 29, 2011, staff advertised City Project No.11-06 for the Fairview Park Wetlands and Riparian Habitat. The project specifications include a contractual requirement that all bids be submitted with a bid bond in the form of cash, money order, cashier's check, or by a surety bond in an amount equal to at least ten (10) percent of the bid. Said bond is forfeited in case the bidder depositing the bond fails to execute the contract within ten (10) days after written notice.

ANALYSIS:

On June 6, 2011, the City Clerk received and opened twelve (12) bids for the construction of this project. Jeff Tracy, Inc. DBA Land Forms Landscape Construction was the apparent low bidder. On June 21, 2011 a construction contract in the amount of \$2,902,978.00 was awarded to Land Forms Landscape Construction.

MG Construction and Development, Inc. was the third lowest bidder and in lieu of a bid bond submitted a cashier's check in the amount of \$280,000.00. Since the construction contract with the lowest responsible bidder has been signed, staff recommends that the cash bid bond submitted by MG Construction and Development, Inc. be released. The refund request form is included as "Attachment 1."

ALTERNATIVES CONSIDERED:

There is no alternative relative to this item.

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 \$280,000.00 be released to MG Construction and Development, Inc.

ERNESTO MUÑOZ
City Engineer

PETER NAGHAVI, DIRECTOR
Department of Public Services

LARRY HURST
Interim Finance Director

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

DISTRIBUTION: Chief Executive Officer
City Attorney
City Clerk
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