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City of South Gate  
CITY COUNCIL

Item No. 11

FEB 20 2018

AGENDA BILL

CITY OF SOUTH GATE  
OFFICE OF THE CITY MANAGER For the Regular Meeting of: February 27, 2018

*Sam*

Originating Department: Public Works

Department Head:

*AK*

Arturo Cervantes

City Manager:

*Michael Flad*

Michael Flad

**SUBJECT: REJECT BIDS FOR THE SOUTH GATE POLICE DEPARTMENT WELLNESS CENTER PROJECT, CITY PROJECT 552-ARC**

**PURPOSE:** The South Gate Police Department Wellness Center Project was bid for construction. All the bids received exceeded the project budget. As such, the City Council may reject all bids.

**RECOMMENDED ACTION:** Reject all bids received in the City Clerk's Office for the Police Department Wellness Center, City Project No. 552-ARC, which will be redesigned and rebid at a future time.

**FISCAL IMPACT:** None.

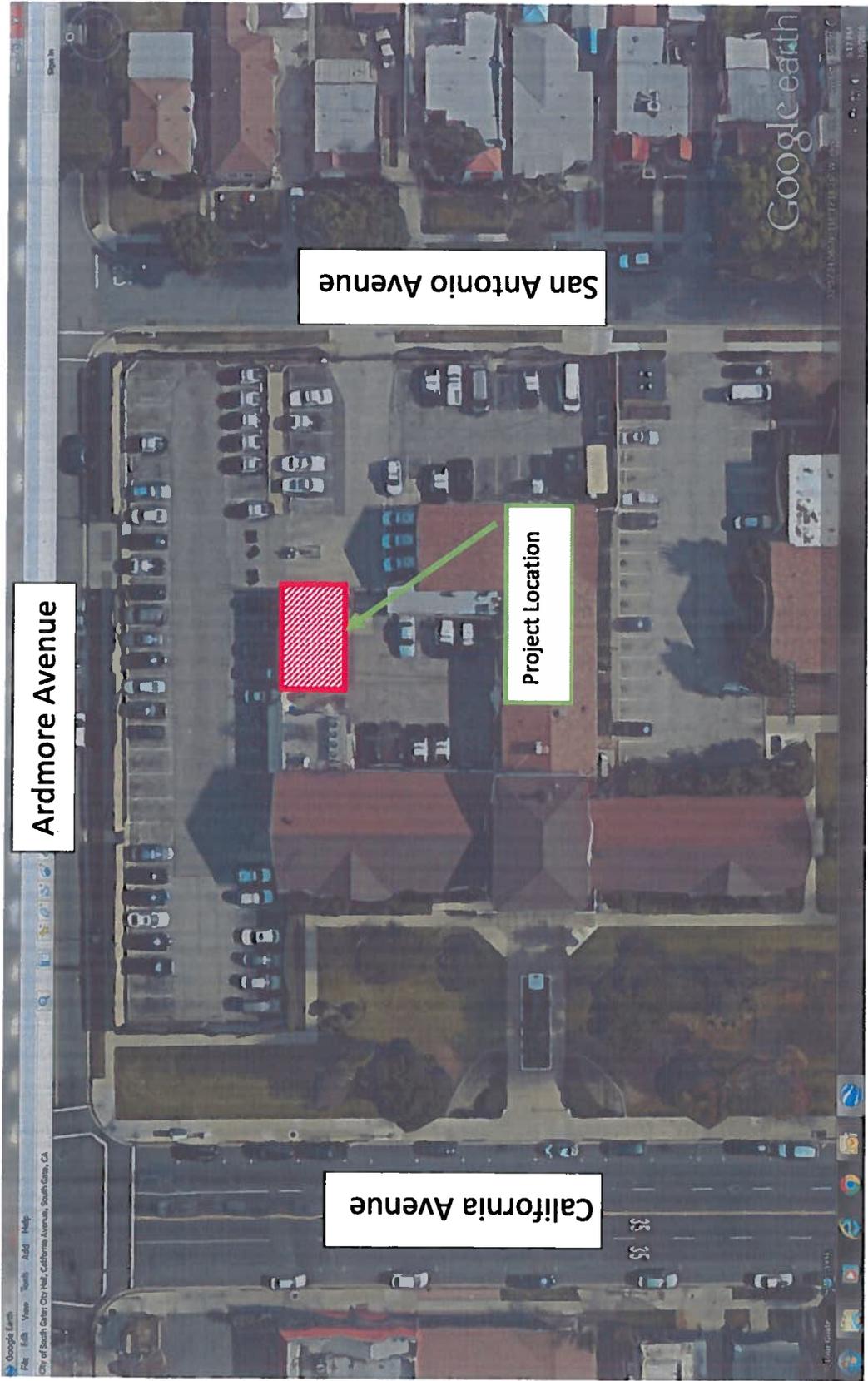
**ANALYSIS:** The South Gate Police Department Wellness Center Project was bid for construction and all bids received exceed the project's budget. Staff is recommending that the bids be rejected by action of the City Council. The City has a right to reject construction bids under the Municipal Code and the project's bid documents. Section 1.54.475 of the Municipal Code (Rejection of bids) states the City has the right, at its sole discretion, to reject all bids. This right was also stipulated in the Notice of Inviting Bids (See Attachment "B") which was a part of the construction bid documents. The Municipal Code requires that the City furnish a written notice to the apparent low bidder (in this case, Golden Gate Construction) at least two days prior to rejecting the bids. The Engineering Division issued such notice on February 20, 2018 to Golden Gate Construction (See Attachment C).

**BACKGROUND:** The Police Department Wellness Center Project is the second of two projects needed to reorganize the Emergency Operations Center and the Police Department Fitness Area into two separate areas. The Wellness Center Project entails constructing a new 865 square foot building structure next to the Police Department's main building. The wellness center will feature a fitness area, restroom, electrical room and storage closets.

On August 17, 2017, the project was advertised for construction by the City Clerk in the adjudicated newspaper (*Los Angeles Wave Newspaper*) and published in the trade publications. On August 31, 2017, the City Clerk received and publicly opened three bids, Golden Gate Construction's base bid was \$635,345; Access Pacific's base bid was \$978,000; and New Dynasty Construction's base bid was \$931,418. The lowest bid of \$635,345 was higher than the project's \$250,000 budget. As such, staff is recommending that all bids be rejected. The project will be redesigned and rebid at a future date.

- ATTACHMENTS:**
- A. Location Map
  - B. Notice of Inviting Bids
  - C. Rejecting of Bids Notice

South Gate Police Department Wellness Center, City Project 552-ARC



8620 California Avenue

Location Map

AUG 14 2017

FILED



# City of South Gate

8650 California Avenue, South Gate, CA 90280-3075  
Phone (323) 357-9657  
Fax (323) 563-9572

**Carmen Avalos**  
City Clerk

## THE CITY OF SOUTH GATE

8650 California Avenue  
South Gate, California 90280

### NOTICE INVITING BIDS

#### **SOUTH GATE POLICE DEPARTMENT WELLNESS CENTER CITY PROJECT NO. 552-ARC**

Sealed bids for the “**South Gate Police Department Wellness Center**” will be received at the office of the City Clerk, City of South Gate, California, until **2:00 PM on Thursday, August 31, 2017**, and on the same day shortly thereafter, they will be publicly opened and read in accordance with the Specifications, therefore bids must be made on the forms provided for this purpose, addressed to the City Clerk, City of South Gate, marked "Bid For," followed by the title of the project and the date and hour for submitting bids. Bids are required for the entire work as described in the Bid Schedule and the Specifications.

The contract documents (including plans and specifications) may be downloaded at no cost from the City of South Gate’s website at: <http://www.cityofsouthgate.org/bids.aspx>. Hard copies may also be obtained in person at the City of South Gate Department of Public Works, 8650 California Avenue, South Gate, CA, 90280 for a non-refundable fee of **\$75.00** or requested by mail for a non-refundable fee of **\$100.00**. The documents are entitled: "**SOUTH GATE POLICE DEPARTMENT WELLNESS CENTER, CITY PROJECT NO. 552 - ARC**". Payments are acceptable for in the form of cash or check only.

**A NON-MANDATORY PRE-BID CONFERENCE WILL BE HELD ON AUGUST 24, 2017 AT 10:00 AM and 2:00 PM. THE MEETING WILL BE HELD IN THE CITY COUNCIL CONFERENCE ROOM LOCATED AT 8650 CALIFORNIA AVENUE, SOUTH GATE CA 90280.**

Bids will not be received unless they are made on a proposal form furnished in the Contract Documents by the City of South Gate. Each bid must be accompanied by cash, certified check, cashier’s check or bidder’s bond, made payable to the City of South Gate for an amount equal to at least ten percent (10%) of the amount bid, such guarantee to be forfeited should the bidder to

whom the contract is awarded fail to enter into the Contract. All bids shall be valid for a period of 90 days after City's bid opening date, notwithstanding any award of Contract by the City to another bidder.

Bids will not be accepted from contractors who are not licensed in accordance with the provisions of Chapter 9, Division III of the Business and Professions Code of the State of California. The Contractor shall be required to possess a current "**Classification B**", General Building Contractor or "**Classification A**", General Engineering Contractor license for the aforementioned at the time the contract is awarded. Attention is directed to the provisions in Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code and Title 8 of the California Administrative Code, Section 200, *et seq.*, to ensure compliance and complete understanding of the law regarding the employment of apprentices by the Contractor or any subcontractor under him.

**No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)]. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.**

Before a Contract is entered into with the successful bidder, the bidder shall present evidence in writing to the City Clerk, City of South Gate, that he has a current combined single limit liability policy with aggregate limits for Bodily Injury and Property Damage in the amount of one million dollars (\$1,000,000).

Attention is directed to Government Code Sections 4590 and 14402.5 permitting the substitution of specified and approved securities for contract retention of funds. All such securities shall be subject to the review and approval of the City Attorney for the City of South Gate. The successful bidder will be required to furnish a payment bond in an amount equal to one hundred percent (100%) of the contract price, a faithful performance bond in an amount equal to one hundred percent (100%) of the contract price, and said bonds shall be secured from a surety company satisfactory to the City Attorney for the City of South Gate.

**Apprenticeship Program:** Attention is directed to Section 1777.5, 1777.6 and 1777.7 of the California Labor Code and Title 8 of the California Administrative Code, Section 200, *et seq.*, to ensure compliance and complete understanding of the law regarding apprentices.

**Conflict of Interest:** In the procurement of supplies, equipment, construction, and services by sub-recipients, the conflict of interest provisions in 24CFR 85.36. OMB Circular A-110, and 24CFR 570.611 shall apply. No employee, office, or agent of the sub-recipient shall participate in the selection, award, or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved.

The City of South Gate reserves the right to reject any and all bids, or delete portions of any and all bids or waive any informality or irregularity in the bid or the bid procedures and shall be the sole judge of the bids received.

If any interested person seeks additional information regarding this Notice Inviting Bids on the proposed Project, please contact **Guillermo Petra, Project Manager**, during regular business hours of the City of South Gate, 7 a.m. to 6 p.m., Monday through Thursday at (323) 563-9614 or by email at **gpetra@sogate.org**.

Notice given this 14th day of August 2017.

By order of the City of South Gate.

A handwritten signature in black ink, appearing to read "Carmen Avalos", written over a horizontal line.

Carmen Avalos, City Clerk  
City of South Gate, CA



# City of South Gate

8650 CALIFORNIA AVENUE • SOUTH GATE, CA 90280 • TEL: (323) 357-9657  
FAX: (323) 563-9572

**PUBLIC WORKS DEPARTMENT  
ENGINEERING DIVISION**

February 20, 2018

Mr. Yohann Chang, President  
Golden Gate Steel, Inc. dba Golden Gate Construction  
6481 Orangethorpe Avenue, Ste. 26  
Buena Park, CA 90620

**RE: Rejection of Bids: South Gate Police Department Wellness Center Project,  
City Project 552-ARC**

Dear Mr. Yohann Chang,

The City has decided not to move forward with the construction of the South Gate Police Department Wellness Center Project (552-ARC). The lowest bid of \$635,345 was higher than the project's \$250,000 budget. As such, staff is recommending that all bids be rejected at the City Council meeting on February 27, 2018. The project will be redesigned and rebid at a future date.

Public Works thanks you for your consideration and bid. Please contact Guillermo Petra if you have any questions by telephone at (323) 357-9614 or by email at [gpetra@sogate.org](mailto:gpetra@sogate.org).

Sincerely,

Clint Herrera,  
Assistant City Engineer P.E.