

PROPOSED AMENDMENT TO FIRST PARAGRAPH OF SECTION 19,
OF ARTICLE XIX OF THE CITY CHARTER, STATED ON BALLOT AS
"PROPOSITION C" AS FOLLOWS:

Shall the first paragraph of Section 19, Public Works, Contracts, of Article XIX of the City Charter be amended to read as follows:

"EVERY CONTRACT INVOLVING AN EXPENDITURE OF MORE THAN FIVE THOUSAND DOLLARS (\$5,000.00) FOR THE CONSTRUCTION OR IMPROVEMENT OF PUBLIC BUILDINGS, STREETS, DRAINS, SEWERS, UTILITIES, PARKS AND PLAYGROUNDS SHALL BE LET TO THE LOWEST RESPONSIBLE BIDDER AFTER NOTICE BY PUBLICATION IN THE OFFICIAL NEWSPAPER BY ONE OR MORE INSERTIONS, THE FIRST OF WHICH SHALL BE PUBLISHED AT LEAST TEN (10) DAYS BEFORE THE TIME FOR OPENING BIDS"?

VOTE ON SAID PROPOSITION:

<u>PRECINCT NO.</u>	<u>YES</u>	<u>NO</u>
1	49	44
2	65	62
3	55	69
4	63	70
5	58	50
6	70	59
7	88	41
8	91	86
9	62	64
10	47	19
11	43	30
12	47	52
13	79	67
14	71	68
15	43	63
16	40	33
17	66	44
18	37	46
19	44	61
20	38	33
21	55	61
22	115	56
23	37	25
24	43	50
25	52	63
26	37	32
27	61	40
28	113	74
29	72	82
30	23	29
31	19	17
32	19	24
33	28	42
34	15	18
35	37	31
36	53	34
37	54	40
38	56	28
39	34	27
40	72	74
41	91	92
42	87	58
43	71	77
44	48	33
45	59	37
46	89	72
47	95	72
48	68	60
49	54	54
50	28	21
Totals	2,841	2,484

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF PROPOSITION C

Under existing charter provisions, all public works contracts in excess of \$5,000.00 must be given after formal bid. Under the formal bidding process the City Council first approves the plans and specifications for the project. Then, a notice inviting bids is published. Sealed bids are then submitted by interested parties. The City Council then formally accepts the bid of the lowest responsible bidder. At a subsequent council meeting, the Council approves the contract between the City and the contractor, and approves all bonds which are required.

The proposed amendment would increase the minimum amount of a public works contract to be let by formal bid from \$5000 to projects over \$50,000.

For public works projects of \$50,000.00 or less, the City Council would be required to adopt an ordinance establishing informal bid procedures.

For public works projects of \$15,000.00 or less, the proposed amendment permits the City to use City employees, or to negotiate a contract or use purchase orders without the requirement of a bidding process.

The proposed charter amendment is substantially similar to Public Contracts Code, § 22032.

The Council may reject any and all bids received whenever in the opinion of the City Council:

- a) The bid or bids do not strictly comply with the notice and specifications.
- b) The Council finds and determines that the proposed project or purchase should be abandoned.
- c) The Council determines that the materials may be purchased more reasonably on the open market and the work done cheaper by day or City labor.
- d) The Council determines that the bids are higher than anticipated and a new call for bids would result in savings to the City.
- e) The Council determines that it would be for the benefit of the City to delay the work or purchases for an indefinite period of time.
- f) The best interests of the City would be served by a rejection of all bids.

ARGUMENT AGAINST PROPOSITION C

(None Filed)

The current Charter provision on public works contracting was last amended by the voters in April, 1967. The cost of public works construction projects today makes the proposed fifty thousand dollar (\$50,000.00) threshold for formal bidding more appropriate. The three-tier procedure that is proposed requires that public works projects in excess of fifty thousand dollars (\$50,000.00) are to be awarded using the same formal bidding procedures currently in effect. Public works projects of fifty thousand dollars (\$50,000.00) or less are to be awarded using informal bidding procedures established by the City Council by ordinance. Public works projects of fifteen thousand dollars (\$15,000.00) or less may be performed by employees of the City, or by private contractors without using these bidding procedures. These are the same dollar levels that the State legislature has authorized for non-charter cities.

Proposition C is your assurance that important public works projects will be completed in a timely and cost effective manner.

We urge you to vote "Yes" on Proposition C.

KAY HORRELL

TERRY WARD

JOHN W. CHAPMAN

MEASURE C

CHARTER AMENDMENT ON DESIGN-BUILD AND DESIGN-BUILD OPERATE PUBLIC WORKS CONTRACTS

Sec. 19. Public works, contracts.

Every contract involving an expenditure of more than fifty thousand dollars (\$50,000) for public works projects, including the construction of improvements of public buildings, streets, drains, sewers, utilities, parks and playgrounds shall be let either to: (1) the lowest responsible bidder, after notice by publication in the official newspaper by one or more insertions, the first of which shall be published at least ten (10) days before the time for opening bids; or (2) the best value design-build entity or best value design-build-operate entity responding to a request for proposals.

Public works projects of fifty thousand dollars (\$50,000) or less may be let to contract by informal bid procedures as shall be set by the City Council by ordinance.

Public works projects of fifteen thousand dollars (\$15,000) or less may be performed by employees of the City by force account, by negotiated contract, or by purchase order.

The City Council may reject any and all bids or proposals received whenever in the opinion of the Council:

- (a) The bid or bids do not strictly comply with the notice or plans and specifications.
- (b) The Council finds and determines that the proposed project or purchase should be abandoned.
- (c) The Council finds and determines that the materials may be purchased more reasonably on the open market and the work done cheaper by day or City labor.
- (d) The Council determines that the bids are higher than anticipated and a new call for bids would result in savings to the City.
- (e) The Council determines that it would be in the best interest of the City to delay the work or purchase for an indefinite period of time.
- (f) The best interests of the City would be served by a rejection of all bids.
- (g) The proposal is not suitable for the project.

IMPARTIAL ANALYSIS OF MEASURE C

The City Charter (Article XIX) now requires that every contract involving an expenditure of more than \$50,000 for public works projects be awarded to the lowest responsible bidder. Under current practice, public works projects are described in plans and specifications prepared by or for the City and made available to bidders. By submitting a bid, the bidder agrees, if awarded the contract, to build the project as described in the City's plans and specifications; bidders do not participate in the design of the project under current practice.

Measure C, if adopted, would amend Article XIX of the City Charter to allow the City to have the option of also awarding public works contracts, involving an expenditure of more than \$50,000, to the best value design-build entity or best value design-build-operate entity responding to a request for proposal prepared by or for the City.

This would allow the City to invite bidders to submit their own proposals to design and build, or design, build and operate, public works projects involving an expenditure of more than \$50,000. Such projects would not necessarily be awarded to the "lowest" bidder, but to the bidder whose project, in the opinion of the City, represents the "best value."

This Charter amendment creating an alternate method of public works contracts may result in cost saving to the City.

/s/ Jerry Goddard
City Attorney

ARGUMENT IN FAVOR OF MEASURE C

The design-build method is an alternative construction approach where design and construction teams work together to accomplish the project. Advantages of design-build are: shortens project time; saves money; better coordination between design and construction; no City liability for design errors; reduces change orders, claims and possible litigation; reduces finger-pointing between designer and contractor; provides firm project cost not subject to escalation (except for unforeseen site conditions).

The City of Redondo Beach uses the traditional design-bid-construct method for public works projects over \$50,000. This method is complicated and time-consuming, resulting in change orders and time delays. An architectural or engineering firm must be hired to design the project and prepare contract documentation. Prior to this, the City must prepare a Request for Proposal to solicit design proposals from consultants. Once proposals are received, Council awards a contract. Next, Council accepts project plans and specifications and authorizes advertisements to solicit bids; the City Clerk opens bids; staff check references of the lowest responsible bidder; and Council awards a contract to the lowest responsible bidder. Each process takes 8 to 12 weeks. There is no control over who can bid; the only opportunity to prevent an unqualified bidder from winning the contract is the reference check process. To disqualify a marginal low bidder with questionable credentials and minimum experience, the City must have solid evidence and justification or face serious legal consequences.

The overall benefit of design-build is it saves construction time and staff time in processing paperwork, and reduces exposure to litigation by using the team approach and avoiding finger-pointing. The design-bid-build method only assures the lowest bid in construction while the design-build method assures the value of the overall project from design to construction to operation.

/s/ Greg Hill, Mayor

/s/ John S. Parsons, Council Member

/s/ Mike Gin, Council Member

/s/ Robert Pinzler, Council Member

/s/ Marna Smeltzer, President & C.E.O., Redondo Beach
Chamber of Commerce

ARGUMENT AGAINST MEASURE C

(None Submitted)