



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 10, 2017
Action Item for the City Council Meeting of January 17, 2017

DATE: January 12, 2017

TO: Margie C. Rose, City Manager

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Appropriate Forfeited Bid Bond

Collier Pool Renovations (Bond 2012) Rebid – Part B (Restroom and Office Building)
Bond 2012, Proposition 4

CAPTION:

Ordinance appropriating \$29,943.70 from forfeited bid bond proceeds in the No. 3280 Park CIP Fund for the Collier Pool Renovations Rebid Package B (Restroom and Office Building) Project E14008; changing the FY 2017 Capital Improvement Budget adopted by Ordinance No. 030936; increasing revenues and expenditures in the amount of \$29,943.70. (Bond 2012, Proposition 4)

PURPOSE:

The purpose of this Agenda Item is to appropriate forfeited bid bond proceeds in the amount of \$29,943.70 in the Collier Pool Renovations Rebid Package B (Restroom and Office Building) Project.

BACKGROUND AND FINDINGS:

This project is part of Bond 2012 Proposition 4 – Aquatic Facilities for Repairs, Upgrades, and Improvements.

On June 14, 2016, this project was originally awarded to the lowest responsible bidder, Cruz Maintenance and Construction ("CMCI"), in the amount of \$598,874. As per City requirements, Contractors are required to submit Bid Bonds with their bids for projects over \$50,000. As part of CMCI's bid, and in accordance with the bid specifications, CMCI submitted a Bid Bond dated April

6, 2016, for Collier Pool Renovations Rebid Package B (Restroom and Office Building) Project E14008 that bound the Principal (CMCI) and Surety, (Suretec Insurance Company ("Suretec")), to the Obligee (City) in the sum of 5% of the amount bid by CMCI. Amount of bid bond: \$598,874 x 5% = \$29,943.70

After award, the contractor must then secure Performance and Payment Bonds before a Notice to Proceed is issued. CMCI did not provide the City with the required Bonds and Insurance certificates and endorsements so that a contract between them and the City could be executed. In such cases, the bid bond of the lowest bidder is forfeited to the City of Corpus Christi.

On August 23, 2016, the City Council rescinded the award to CMCI in the amount of \$598,874 and authorized the City Manager to execute a construction contract with the second lowest responsible bidder, Barcom Construction, Inc. of Corpus Christi, Texas, in the amount of \$632,673. Furthermore, staff was directed to execute a claim against CMCI's bid bond for the Collier Pool Renovations Rebid – Part B (Restroom and Office Building) project due to failure of CMCI to comply with the terms and conditions of the Bid. The Surety has issued a check to the City and this item appropriates the proceeds into the project.

ALTERNATIVES:

1. Appropriate the forfeited bid bond proceeds into the project. (Recommended).
2. Do not appropriate the forfeited bid bond proceeds into the project. (Not Recommended).

OTHER CONSIDERATIONS:

N/A

CONFORMITY TO CITY POLICY:

Conforms to statutes regarding forfeiture of Bid Bonds; FY 2016-2017 Capital Budget.

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

Parks and Recreation

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2016-2017	Project to Date Budget and Expenditures	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered/Expended Amount				
This item		29,943.70		29,943.70
Future Anticipated Expenditures This Project				
Future Anticipated Revenues				
BALANCE		29,943.70		29,943.70

Fund(s): Bid Bond Forfeiture

Comments: N/A

RECOMMENDATION:

City Staff recommends approval of the item as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Project Chronology
Location Map