

Section 3 - Award and Execution of Contract

3.1 Award of Contract.

The right is reserved the City to reject any or all proposals and to waive irregularities in the bid procedure and proposal.

The award of the contract, if it be awarded, will be to the lowest responsible bidder whose proposal complies with all the requirements prescribed. Such award, if made, will be made within 30 calendar days after the opening of the proposals, if the lowest responsible bidder refuses or fails to execute the contract, his bid security is forfeited and the City may award the contract to the second lowest responsible bidder. Such award, if made, will be made within 45 calendar days after the opening of proposals. If the second lowest responsible bidder refuses or fails to execute the contract, his bid security is forfeited, and the City may award the contract to the third lowest responsible bidder. Such award, if made, will be made within 60 calendar days after the opening of proposals. The periods of time specified above within which the award of contract may be made shall be subject to extension for such further period as may be agreed upon in writing between the City and bidder concerned.

All bids will be compared on the basis of the Engineer's Estimate of the quantities of work to be done, whenever applicable.

3.2 Consideration of Bids.

Bids will be opened publicly by the Purchasing Agent of the City on the date and at the time set forth in the "Notice to Bidders." The right is reserved by the City by action of the Council to reject any or all bids, to advertise for new proposals, to negotiate in the open market for a contract at a reasonable price, to purchase in the open market, or to have the work performed by City employees, or to abandon the work, if in the judgement of the Council, the best interests of the City will be promoted thereby.

3.3 Contract Bonds.

The Contractor, simultaneously with the execution of the Contract, shall furnish a surety bond to secure the faithful performance of the contract for the work in an amount of 100% of the contract price. He shall also furnish a bond to secure payment for all labor, material, equipment, and supplies furnished for the work in an amount equal to 100% of the contract price. The form of the Bonds shall be as contained in the Contract Documents and satisfactory to the City.

3.4 Execution of Contract.

The contract shall be signed by the successful bidder and returned, together with the contract bonds and insurance certificates, within 10 calendar days after the Notice of Award.

3.5 Failure to Execute Contract.

Failure of the lowest responsible bidder, the second lowest responsible bidder, or the third lowest responsible Bidder to execute the contract and file acceptable bonds as provided within ten days after such Bidder has received notice that the contract has been awarded to

him shall be just cause for the annulment of the award and the forfeiture of: the proposal guaranty. The successful bidder may file with the City a written notice, signed by the Bidder or his authorized representative, specifying that the Bidder will refuse to execute the contract if presented to him. The filing of such notice shall have the same force and effect as the failure of the Bidder to execute the contract and furnish acceptable bonds within the time prescribed.

3.6 Contract Documents.

The Contract Documents shall consist of, but not be limited to, the following:

1. Accepted Proposal
2. Notice to Bidders
3. Contract Agreement
4. Bond for Faithful Performance
5. Bond for Labor and Materials
6. Addenda
7. List of Subcontractors
8. These Standard Specifications and General Provisions
9. The Special and Technical Provisions
10. Drawings
11. Permits from Agencies as Required
12. Insurance Certificates

3.7 Bond Substitutions, Renewal and Extension.

Should any bond become insufficient, the contractor shall renew the bond within 20 calendar days after receiving notice from the City.

Should any Surety at any time be unsatisfactory (licensed in the State of California with a B+ rating) to the City, notice will be given the Contractor to that effect. No further payments shall be deemed due or will be made under the contract until a new qualified Surety shall be accepted by the City.

Changes in the work, or extensions of time, made pursuant to the contract, shall in no way release the Contractor or Surety from their obligations. Notice of such changes or extensions shall be waived by the Surety.

3.8 Return of Proposal Guarantees.

Retained proposal guarantees will be held until the contract has been finally executed and returned to the Contractor (but not to exceed 60 days) after which all proposal guarantees (except bidders bonds and any guarantees which have been forfeited) will be returned to the bidders whose proposal they accompany.