

SECTION 3 AWARD AND EXECUTION OF CONTRACT

3-1.01 Award of Contract. The City, in its sole discretion, reserves the right to reject any and all Proposals. The City reserves the right to waive informalities.

The award of the contract, if it be awarded, will be to the lowest responsible bidder whose Proposal complies with all the requirements prescribed. If two or more bids are the same and lowest, the City may accept either bid it chooses in its sole discretion. The award, if made, will be made within 30 days after the opening of the Proposals. This period of time will be subject to extension for such further period as may be agreed upon in writing between the City and the bidder concerned.

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

3-1.02 Contract Bonds. The successful bidder shall furnish, in triplicate, the two bonds required by the State Contract Act. One bond shall secure the payment of the claims of laborers, mechanics or material persons employed on the work under the contract and the other bond shall guarantee the faithful performance of the contract. The bond forms will be furnished to the successful bidder by the City. Each of the two bonds shall be in a sum equal to 100% of the contract price, including any and all alternate bids, except as otherwise provided in Section 3248 of the Civil Code.

All alterations, extensions of time, extra and additional work, and other changes authorized by these specifications or any part of the contract may be made without securing the consent of the surety or sureties on the contract bonds.

3-1.03 Execution of Contract. The contract shall be signed by the successful bidder and returned, together with the contract bonds and insurance, within 10 days, not including Saturdays, Sundays and legal holidays, after the bidder has received the contract for execution, except where a shorter period has been specified in the Notice to Contractors.

3-1.04 Failure to Execute Contract. Failure of the lowest responsible bidder, the second lowest responsible bidder, or the third lowest responsible bidder to execute and return the contract and file acceptable bonds and insurance as provided herein within 10 days, not including Saturdays, Sundays and legal holidays, after that bidder has received the contract for execution shall be just cause in the City's sole discretion for voiding 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 the bidder's authorized representative, specifying that the bidder will refuse to execute the contract if presented to the bidder. The filing of such notice shall have the same force and effects as the failure of the bidder to execute the contract and furnish acceptable bonds within the time hereinbefore prescribed.

3-1.05 Return of Proposal Guaranties. The proposal guaranties accompanying the Proposals of the first, second and third lowest responsible bidders will be retained until the contract has been finally executed, after which those proposal guaranties, except bidders' bonds and any guaranties which have been forfeited, will be returned to the respective bidders whose Proposals they accompany. The proposal guaranties, other than bidder's bonds, submitted by all

other unsuccessful bidders will be returned upon determination, by the City, of the first, second and third lowest responsible bidders.

3-1.06 Notification of Surety and Insurance Companies. The surety companies and the signers of any of the above mentioned bonds, and all insurance companies, shall familiarize themselves with all of the conditions and provisions of this contract, and they waive the right of special notification of any change or modification of this contract or of extension of time, or of decreased or increased work, or the cancellation of the contract, or any other act or acts by the City or its authorized agents, under the terms of this contract, and failure to notify the sureties or insurance companies of changes shall not relieve the sureties or insurance companies of their obligation under this contract.

3-1.07 Damages for Collusion. If at any time it is found that the person, firm, or corporation to whom the contract has been awarded, in presenting any bid or bids, colluded with any other party or parties, then the contract awarded may be declared by the City to be null and void and the Contractor and its sureties shall be liable to the City for all loss or damage which the City may have suffered as a result of such collusion, and the City may re-advertise anew for bids for said work.

END OF SECTION