

Meeting Date: 5/31/2016

Report Type: Consent

Report ID: 2016-00503

Title: Rejection of Bids and Suspending of Competitive Bidding for Midtown Street Lighting Project (Two-Thirds Vote Required)

Location: District 4

Recommendation: Pass a Resolution: 1) rejecting all bids for the Midtown Street Lighting Project; 2) finding that suspending competitive bidding is in the best interest of the City for the Midtown Street Lighting Project; and 3) suspending competitive bidding for the Midtown Street Lighting Project.

Contact: John Matoba, Project Manager, (916) 808-7891; Nicholas Theocharides, Engineering Services Manager, (916) 808-5065, Department of Public Works

Presenter: None

Department: Public Works Department

Division: Engineering Services Admin

Dept ID: 15001111

Attachments:

1-Description/Analysis

3-Resolution

City Attorney Review

Approved as to Form
Gerald Hicks
5/20/2016 10:21:52 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 5/13/2016 8:22:00 AM

Description/Analysis

Issue: The Midtown Street Lighting Project will construct new street lighting improvements in the downtown area. Funding of this project is through Community Development Block Grant (CDBG) and local funds.

This project was initially advertised and bids were received on February 17, 2016. During the analysis of the bids, it was discovered that the CDBG requirements were not included in the bid documents. The Council approved rejection of the bids on March 29, 2016.

City Staff concurrently re-advertised the project on March 2, 2016 due to the time constraints of CDBG funding and with anticipation with City Council approving the rejection of bids. Three bids were received on March 23, 2016. All three submitted bids for the re-advertisement were analyzed and determined to be non-responsive. The two low bidders failed to meet the obligatory M/WBE Good Faith Efforts (GFE) mandated by the CDBG program requirements. The remaining bidder failed to submit its bid by using official City bidding documents and failed to submit other City required forms. It is recommended that all bids be rejected.

Under City Code section 3.60.170, after advertising for bids, the competitive bid requirements do not apply when valid bids are not received. The City may elect to exercise its discretion by suspending the competitive bid process. It is recommended that the competitive bid process be suspended for the Midtown Street Lighting Project since all bids were non-responsive. Staff will return to City Council at a later time to award the contract. SHRA agrees with this course of action and has indicated that the CDBG funds will be eligible if the contract is awarded under the provisions of City Code section 3.60.170.

Policy Considerations: The action requested herein is consistent with the City API 4002, Section 8.5(b), which requires that rejection of bids for contracts of \$100,000 or more must be approved by the City Council, and City Code 3.60.170 allows the City to suspend the competitive bid process if all bids are deemed non-responsive through the competitive bidding process.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): It has been determined that the Midtown Street Lighting Project meets the criteria for a Categorical Exemption

pursuant to the California Environmental Quality Act (CEQA). There is no substantial evidence that the project will have a significant effect on the environment.

Sustainability Considerations: The Midtown Street Lighting Project is consistent with the City's Sustainability Master Plan. It conforms to the Air Quality Focus Area by improving and optimizing transportation infrastructure.

Commission/Committee Action: None

Rationale for Recommendation: Rejecting the bids received and suspending competitive bidding is consistent with the City Code and CDBG funding requirements.

Financial Considerations: The total budget for the Midtown Street Lighting Project (T15155201) is \$616,390. As of April 13, 2016, the Midtown Street Lighting Project has a total budget of \$226,390 and an unobligated balance of \$176,052.

Staff will return to the City Council to appropriate the remaining required funding in the amount of \$390,000 (Fund 2700) at the time of construction contract award along with the execution of an Individual Project Agreement (IPA). This remaining funding was approved within the 2015 Action Plan under Resolution 2015-0358.

The Midtown Street Lighting Project includes a previous one-time General Fund allocation of \$66,390 approved by the City Council to support the street lighting effort.

Local Business Enterprise (LBE): Not applicable for this action.

RESOLUTION NO.

Adopted by the Sacramento City Council

MIDTOWN STREET LIGHTING PROJECT - REJECTION OF BIDS

BACKGROUND

- A. The Midtown Street Lighting Project will construct new street lighting improvements in the downtown area. Funding for this project is through Community Development Block Grant (CDBG) and local funds.
- B. The project was advertised on March 2, 2016 and bids were received on March 23, 2016. The three bids submitted were determined to be non-responsive during the analysis of the bid. It is recommended that all bids be rejected.
- C. Under City Code section 3.60.170, City may elect to exercise its discretion by suspending the competitive bid process. It is recommended that the competitive bid process be suspended for the Midtown Street Lighting Project since all bids were non-responsive. Staff recommends that it is in the best interest of the City to award the Contract for the Midtown Street Lighting Project at a future Council meeting using the bid submitted by the low bidder.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The bids submitted for the Midtown Street Lighting Project are hereby rejected.
- Section 2. Finding that suspending competitive bidding is in the best interest of the City for the Midtown Street Lighting Project.
- Section 3. Competitive bidding is suspended for the Midtown Street Lighting Project due to all bids received were determined to be non-responsive.