



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 17-0761, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Reject Sole Bid Received for SMaRT Station Stormwater Management System Upgrade (PW17-04)

#### **REPORT IN BRIEF**

Approval is requested to reject the sole bid received in response to Invitation for Bids No. PW17-04 for the SMaRT Station Stormwater Management System Upgrade Project.

#### **EXISTING POLICY**

Section 2.09.140(b) of the Municipal Code permits the City Council to reject bids or proposals received in response to formal competitive bid solicitations. This Code section also provides that "if all bids are rejected, the City has the discretion to re-advertise."

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

An Invitation for Bids was issued on May 26, 2017 for the upgrade of the SMaRT Station Stormwater Management System. Although six potential bidders attended the mandatory pre-bid conference, only one bid was received, in the amount of \$2,173,330, as shown in Attachment 1. The bid amount is 83% higher than the engineer's estimate of \$1,185,870. While staff hasn't confirmed with the other plan holders, it appears that the lack of bids is due primarily to the very busy construction market and corresponding unavailability of contractors for work.

Rejecting the sole bid will allow staff an opportunity to reevaluate the construction specifications and determine whether changes can be made that could lower construction costs. Also, the engineer's estimate will be reviewed. The project would then be re-advertised with increased outreach to encourage a higher bidder response rate. It is, however, important to note that rebidding the project may result in higher, instead of lower bids.

#### **FISCAL IMPACT**

No Fiscal impact results from rejecting the bids.

#### **Funding Source**

This project is funded by the SMaRT Station Equipment Replacement Fund, which is funded by contributions from the cities of Sunnyvale (Solid Waste Management Fund), Mountain View, and Palo Alto.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Reject sole bid received in response to Invitation for Bids No. PW17-04 for SMaRT Station Stormwater Management System Upgrade.

Prepared by: Gregory Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Kent Steffens, Assistant City Manager

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENT**

1. Bid Summary