
File ID: 2026-00815

4/28/2026

Sacramento Last Mile Project Package 1 (A07001800): Rejection of Bids and Suspension of Competitive Bidding [Two-thirds vote required]

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Location: District 1, 2, and 4

Recommendation: Pass a **Motion** by two-thirds vote: 1) rejecting bids for the Sacramento Last Mile Project Package 1 (A07001800); 2) suspend competitive bidding; and 3) authorizing staff to negotiate with the most responsive bidder.

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Presenter: None

Attachments:

1-Description/Analysis

Description/Analysis

Issue Detail: On September 29, 2023, staff applied for grant funding through the California Public Utilities Commission (CPUC) Last Mile Federal Funding Account (FFA) to implement our "Sacramento Last Mile Connectivity Project" to connect underserved communities to affordable broadband infrastructure. The unserved locations were selected based on criteria established by the CPUC's FFA program while overlaying the City network with the FFA Public Map, which identifies areas at the census block level lacking reliable broadband service of at least 25 Mbps downstream and 3 Mbps upstream. On September 13, 2024, the City received an award letter for \$38,696,843 after the CPUC voted and approved the grant award in Resolution T-17835.

On October 15, 2024, Council adopted Resolution 2024-0309 authorizing staff to accept the Last Mile Connectivity Grant (G07000200) from the CPUC to expand internet access for unserved communities in Sacramento. These communities across California face many barriers to deploying resilient and accessible broadband networks. On March 25, 2025, to appropriately reflect the capital improvements aspect of this project, City Council approved the establishment of a Capital

Improvement Project and the transfer of the budget from the Last Mile Connectivity Grant (G07000200) to Last Mile Connectivity Project (A07001800). The Sacramento Last Mile Project will be delivered in 5 construction packages.

The Sacramento Last Mile Project Package 1 was advertised for construction, and three bids were received on March 11, 2026. Upon bid analysis, all bidders were found to be non-responsive. The second-place bidder was non-responsive due to an omission of the additive alternative bid schedule, but met all other requirements. Because of timeline restrictions on the grant funds, staff recommends suspending competitive bidding and entering into negotiations with the second-place bidder, HP Communications. City Council approval to reject bids, suspend competitive bidding, and to authorize staff to negotiate with the most responsive bidder will allow for the project to advance and meeting funding deadlines.

Policy Considerations: This initiative aligns with the Information Technology Department's Digital Strategy Update 2024-2025 document that includes expanded broadband to underserved communities as a key initiative goal. Investment in infrastructure will strategically position the City for the next economy. The City stands to receive significant short- and long-term economic gains from this Public Private Partnership.

The action requested herein is consistent with City API 4002, Section 8.5(b), which requires that rejection of bids for contracts of \$250,000 or more must be approved by the City Council. In addition, the recommendations in this report are in accordance with the provisions of City Code Section 3.56.170, which states "If the city rejects any and all bids or proposals or the person to whom the contract is awarded fails to enter into the contract as required and the council does not award the contract to the next lowest-responsible bidder or other proposer, the city may re-advertise for bids or proposals, or dispense with competitive bidding, as provided in this chapter or in the policies adopted pursuant to section 3.56.040.B ". City Code section 3.56.230.E allows Council, upon a two-thirds vote, to utilize an alternative method of procurement for a contract when it is determined to be in the city's best interests.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): The project is consistent with the 2040 General Plan and certified Master EIR (Resolution No. 2024-0065) and is categorically exempt. The infrastructure installation project involves existing small structures and minor alterations to land, including minor trenching and backfilling where the surface is restored as described in sections 15301, 15303, and 15304 (f) of the CEQA Guidelines (14 C.C.R. §§ 15000, et seq.).

Sustainability: Under Phase 1 of the City of Sacramento's Climate Action Plan, all applicable "Green" technology initiatives will be considered prior to the purchase of IT cabling and wiring

services.

Commission/Committee Action: None.

Rationale for Recommendation: Construction of Bid Package 1 will achieve the goals of CPUC’s FFA Program to connect underserved communities to affordable broadband infrastructure. Construction of the Project allows the City to achieve the deliverables and meet the requirements of the Last Mile Connectivity Project.

The **Sacramento Last Mile Project Package 1** was advertised for construction, and three (3) bids were received March 11, 2026. The results of the bids are summarized below:

| Contractor | Bid | Responsive(Y/N) |
|---------------------------|-------------|-----------------|
| Turnaround Communications | \$2,762,340 | N |
| HP Communications | \$3,215,347 | N |
| Bockman Woody | \$5,289,440 | N |

The Engineer’s Estimate was \$2,500,000. Upon bid analysis, all bidders were found to be non-responsive. The apparent low bidder was found to be non-responsive for multiple reasons, most significantly not meeting qualifications requirements in the minimum qualifications questionnaire and failing to sign required documents in the bid proposal.

The second-place bidder was found non-responsive due to failing to provide bid pricing for an additive alternate bid schedule. All other bid requirements were met. Since the stated basis of bids excludes prices for additive alternate work, and due to timeline restrictions on grant funds, staff recommends that it is in the City’s best interests to suspended competitive bidding and enter into negotiations with the second place bidder, HP Communications.

Financial Considerations: No additional funding is needed. There is sufficient funding in the Last Mile Connectivity Project (A07001800) for construction. The City adopted Resolution 2024-0309 accepting the Last Mile Grant with the CPUC to receive funding and reimbursement for the fiber installations.

Local Business Enterprise (LBE): Because the project is federally funded with American Rescue Plan Act (ARPA) funds, Local Business Enterprise requirements are held in abeyance.