

# City of Sacramento

## Legislation Text

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**File #:** 2019-01601, **Version:** 1

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**Title:**

**Rejection of Bids for Alley Closure & Gate Installation On-Call Services for the Alley Abatement Program (T15100900)**

File ID: 2019-01601

**Location:** Citywide

**Recommendation:**

Pass a Motion rejecting bids for Alley Closure & Gate Installation On-Call Services for the Alley Abatement Program (T15100900).

**Contact:** Philip Vulliet, Senior Engineer (916) 808-5092; Nader Kamal, Interim Engineering Services Division Manager, (916) 808-7035; Department of Public Works

**Presenter:** None

**Attachments:**

1-Description/Analysis

**Description/Analysis**

**Issue Detail:** The Alley Closure & Gate Installation On-Call Services was advertised on August 12, 2019, and one bid was received on September 11, 2019, for \$474,000 from Pisor Fence Division Inc. The bid was substantially higher than the Engineer's Estimate of \$281,000. Rejecting the one bid received will allow for the project to be advertised again in a more competitive bid environment with the expectation that more contractors will submit bids and the scope of the proposed work can be analyzed with respect to project budget constraints.

**Policy Considerations:** The action requested herein is consistent with 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.

**Economic Impacts:** None

## Environmental Considerations:

**California Environmental Quality Act (CEQA/NEPA):** Rejection of bids is an administrative activity that is not considered a project under CEQA.

**Sustainability:** Not applicable.

**Commission/Committee Action:** None

**Rationale for Recommendation:** Only one bid was received for the project. The bid amount of \$474,000 was substantially higher than the budgeted estimate. Staff performed outreach to several local construction firms to determine whether there were specific issues with the bid requirements or other factors which may have caused them to not bid on the project. Responses received indicated that contractors were busy or not willing to bid on this project.

Awarding the contract at the bid amount would require a significant amount of additional local funds. Additionally, since typically a portion of these costs are paid by private property owners who are requesting alley closures, it is in the public interest to re-advertise the project to achieve more competitive pricing. City staff recommends re-advertising the project in early 2020 in order to obtain more bidders and more competitive bid prices.

**Financial Considerations:** Based on the bid received, the estimated total project construction cost with the apparent low bid is \$474,000. The Engineer's Estimate was \$281,000. Staff recommends that this bid be rejected, and the project be re-advertised when the bidding environment will be more favorable.

**Local Business Enterprise (LBE):** Not applicable.