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Title: Reject all bids for the purchase of Streetlight LED Luminaires (Bid File No. 9464) (City Wide)

Sponsors: Public Works Department

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Attachments: 1. 19-1190 Bid Evaluation.pdf

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REPORT TO THE CITY COUNCIL

February 28, 2019

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Public Works Department

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Public Works Department

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SUBJECT
Reject all bids for the purchase of Streetlight LED Luminaires (Bid File No. 9464) (City Wide)

RECOMMENDATION

Staff recommends that the City Council reject all bids for the purchase of Streetlight LED Luminaires.

EXECUTIVE SUMMARY

Staff recommends the City Council reject all bids for a requirements contract that was bid for the purchase of Light Emitting Diode (LED) Streetlight Luminaires. The funding for this contract was Community Development Block Grant (CDBG) funds, which has specific procurement rules over and above the City of Fresno (City) procurement policy. Although bid specifications were distributed to sixteen perspective bidders, only one bid was received. CDBG procurement rules view this as a sole

source bidder, which is not eligible under these rules. After reviewing with Department of Development and Resource Management (DARM) and Purchasing staff it was determined that it would be best to reject all bids. These lights that were going to be replaced with this CDBG funded project were instead added to the City-wide Pacific Gas and Electric (PG&E) on bill financed LED Retrofit Project (PG&E LED Project) that is currently under way.

BACKGROUND

The Department of Public Works (DPW) Street Maintenance Division, was allocated CDBG funds through the U.S. Department of Housing and Urban Development (HUD) approved 2017 Annual Action Plan to retrofit nearly 1600 HPS Streetlight Luminaires to LED Streetlight Luminaires.

In accordance with the City Procurement Handbook, Administrative Order 6-19, and CDBG requirements, DPW solicited bid proposals for the necessary materials. The Bid Specifications for the Streetlight LED Luminaires Requirements Contract was published on September 21, 2018, in the Fresno Business Journal and the City's Planet Bids Online site. Bid specifications were distributed to sixteen separate prospective bidders. A public bid opening was held on October 23, 2018, and only one bid was received. JAM Services was the sole bidder with a bid amount of \$237,400.00.

On February 14, 2019, Council held a public hearing for Substantial Amendment 2018-01. Substantial Amendment No. 2018-01 proposes to reprogram approximately \$550,000 of CDBG funds for DPW LED lighting improvements. This action is a result of both challenges meeting federal procurement regulations given the lack of bids received for lighting materials, as well as city-wide funding becoming available for similar projects after the approval of the projects through the City's 2017 Annual Action Plan. Funding for the LED lighting improvements in Pinedale, Columbia, King, Fort Miller, Jefferson, Slater, and Leavenworth-Hidalgo Neighborhoods will be provided through the PG&E LED Project.

Due to reprogramming of CDBG funding and alternative funding being available, staff recommends that the City Council reject all bids received on October 23, 2018, for the purchase of Street LED Luminaires.

ENVIRONMENTAL FINDINGS

Rejection of all bids is not a project as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented because staff is requesting to reject all bids.

FISCAL IMPACT

Implementation of the staff recommendation will have no impact upon the City's General Fund as the staff is requesting the City Council reject all bids. Staff has also confirmed because this program is funded through a state-mandated Public Purpose Programs (PPP) surcharge, which is used to fund energy efficiency and incentive programs, PG&E expects that its recent Chapter 11 filing announcement will not affect Local Government Program (LGP) agreements.

Attachment:
Bid Evaluation