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Title: Reject the Sole Bid received for the fiber connection from the Regional Wastewater Reclamation Facility to the City Hall Data Center and direct staff to repackage the project to allow for a more competitive bid outreach to increase local competition (Bid File 12400209) (Council District 3).

Sponsors: Department of Public Utilities

Indexes:

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Attachments: 1. 24-799 Bid Evaluation and Fiscal Impact Statement

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|-----------|------|--------------|---------|--------|
| 6/20/2024 | 1 | City Council | ADOPTED | Pass |

REPORT TO THE CITY COUNCIL

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SUBJECT

Reject the Sole Bid received for the fiber connection from the Regional Wastewater Reclamation Facility to the City Hall Data Center and direct staff to repackage the project to allow for a more competitive bid outreach to increase local competition (Bid File 12400209) (Council District 3).

RECOMMENDATIONS

Staff recommends that the City Council reject the sole bid proposal received for the fiber connection from the Regional Wastewater Reclamation Facility to the City Hall Data Center (Project) and direct staff to repackage the project to allow for a more competitive bid outreach to increase local competition.

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU) - Wastewater Management Division (WMD) seeks to reject the sole bid proposal received for the Project. The bid proposal received in the amount of \$2,441,250

was 144 percent above the engineer's estimate.

BACKGROUND

The Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF) is currently connected to the City's data network via a 150Mbps microwave link to Plaza Tower, where it connects to the City's fiber optic network. The DPU Recycled Water SW1A, SW1B, SW1C, SW1C2, SW1D, and SW4 projects consisted of installing conduit for the future installation of fiber optic cable. In alignment with the City's broadband strategic plan, installation of fiber optic cable from the RWRF to City Hall will improve connectivity, municipal operations, and increase the reliability, security, and bandwidth of the RWRF data network. The microwave link will remain in place to serve as a redundant connection from the RWRF to the City's data network.

A Notice Inviting Bids was published on April 1, 2024, and posted on the City's Planet Bids website. The Project plans and specifications were distributed to 26 prospective bidders and posted at 8 Building Exchanges. One sealed bid proposal was received and publicly opened on April 23, 2024. The sole bid proposal was submitted by MP NexLevel of California, with a submitted bid price in the amount of \$2,441,250. This bid price is 144 percent above the engineer's estimate of \$1,000,000. Therefore, the bid proposal must be rejected and the project re-bid.

An effort will be made to ascertain the reasons only one bid was received. This will include a thorough review of the project plans, specifications, and estimate, as well as outreach to communication companies to obtain feedback. Any appropriate modifications to the specifications or drawings will be made and the project will be readvertised.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the rejection of all proposals does not qualify as a "project" as defined by the CEQA requirements.

LOCAL PREFERENCE

Local preference is not applicable as this action recommends rejection of all bids.

FISCAL IMPACT

The rejection of all bids has no fiscal impact on the General Fund or the WWD Enterprise Fund.

Attachment: Bid Evaluation and Fiscal Impact Statement