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**Title:** Reject all proposals received for the City of Fresno’s Permanent Asphalt Concrete Pavement Repairs - Bid File No. 9484 (Citywide)

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**Attachments:** 1. Attachment 1 - Environmental Assessment No EA-17-035.pdf, 2. Attachment 2 - Bid Eval.pdf

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| 4/4/2019 | 1    | City Council | approved | Pass   |

**REPORT TO THE CITY COUNCIL**

**April 4, 2019**

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Department of Public Utilities

**THROUGH:** DEJAN PAVIC, PE, Public Utilities Manager  
Department of Public Utilities - Utilities Planning & Engineering

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**SUBJECT**

Reject all proposals received for the City of Fresno’s Permanent Asphalt Concrete Pavement Repairs - Bid File No. 9484 (Citywide)

**RECOMMENDATION**

Staff recommends that City Council reject all proposals received for the City of Fresno’s (City’s) Permanent Asphalt Concrete Pavement Repairs (Project).

**EXECUTIVE SUMMARY**

The Department of Public Utilities, Water Division, seeks to reject all proposals received for the Project. There were three proposals received for the Project. Following a posting of staff’s

determination, an error was discovered. After review, it was discovered that the quantities listed in the Request for Proposals reflected amounts anticipated for half of the contract period. Thus, the contract price and quantities have been underestimated.

## **BACKGROUND**

The Department of Public Utilities, Water Division, routinely cuts and removes existing street paving to gain access to the water system for repairs, maintenance, and capital improvements. These pavement cuts require a permanent pavement repair. Due to the ongoing nature of this work, the Water Division established a Requirements Contract in 2017 to obtain firm pricing, secured through competitive bidding, for a six-month Requirements Contract with provisions for five six-month extensions, which allowed the Water Division to order the repairs on an as-needed basis. That Requirements Contract expired on March 12, 2019. The Water Division has competitively rebid the contract to establish new pricing for one year with provisions for three one-year extensions.

On November 2, 2018, an advertisement was published inviting bids for a Requirements Contract for Permanent Asphalt Concrete Pavement Repairs. Ten building exchanges received a fax notice inviting bids and 20 specifications were distributed to prospective bidders. Three sealed bid proposals were received and publicly opened on November 27, 2018. Pierce Construction was determined to be the lowest responsive and responsible bidder in the amount of \$564,260. The other two bids ranged from \$691,038 to \$728,770. The bids received expired 64 days after bid opening, which was on January 30, 2019.

The bids received were approximately fifty percent (50%) below the engineer's estimate. After review, it was discovered that the quantities listed in the Request for Proposals reflected amounts anticipated for half of the contract period. Thus, the contract price and quantities have been underestimated.

After this action by the City Council to reject all proposals, the Department of Public Utilities, Water Division, plans to re-advertise and competitively rebid the Project to establish new pricing for one year with provisions for three one-year extensions.

## **ENVIRONMENTAL FINDINGS**

Staff has performed a preliminary environmental assessment of this Project and has determined it falls within the Categorical Exemption set forth in Section 15301 of the CEQA Guidelines because this contract is for repair of existing street pavement associated with the operation and maintenance of the water system. The Project will not result in the expansion of capacity of existing uses. It also falls within the Categorical Exemption set forth in Section 15302 of the CEQA Guidelines which exempts projects consisting of replacement or reconstruction of existing structures and facilities, because any new facilities will be located on the same site as the facility replaced and will have substantially the same purpose and capacity as the facility replaced. It also falls within the Categorical Exemption set forth in Section 15303 of the CEQA Guidelines because any conversion of existing small structures from one use to another would only entail minor modifications made in the exterior of a structure. Finally, it falls within the Categorical Exemption set forth in Section 15304 of the CEQA Guidelines because any grading, filling, or backfilling required will consist of minor alterations in the condition of land, water, and vegetation, which do not involve removal of healthy, mature, or scenic trees, except for forestry or agricultural purposes. Furthermore, none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this Project.

## **LOCAL PREFERENCE**

Local preference was not implemented because the Department of Public Utilities, Water Division, seeks to reject all proposals received for this Project.

## **FISCAL IMPACT**

The rejection of proposals will not impact the General Fund. Funding for the Project, which will benefit all Council Districts, is included in the Fiscal Year 2019 budget within the Water Enterprise Fund No. 40101 and was included in the water rate model used to create the five-year utility rate plan that was adopted by the City Council on February 26, 2015. Purchases made in Fiscal Year 2019 will be at contract prices and future purchases will be included in future fiscal years budgets.

### Attachments:

Attachment 1 - Environmental Assessment No. EA-17-035

Attachment 2 - Evaluation of Bid Proposals and Fiscal Impact