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Title: Reject the Sole Bid received for the Sewer Rehabilitation in area bound by Ashlan, Millbrook, Gettysburg, and Cedar Avenues. (Bid File 12402299) (Council District 4)

Sponsors: Department of Public Utilities

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Attachments: 1. 24-800 Bid Evaluation and Fiscal Impact Statement

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6/20/2024	1	City Council		

REPORT TO THE CITY COUNCIL

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SUBJECT

Reject the Sole Bid received for the Sewer Rehabilitation in area bound by Ashlan, Millbrook, Gettysburg, and Cedar Avenues. (Bid File 12402299) (Council District 4)

RECOMMENDATION

Staff recommends that the City Council reject the sole bid received for the Sewer Rehabilitation in area bound by Ashlan, Millbrook, Gettysburg, and Cedar Avenues (Project).

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 \$9,792,455, was 22.4 percent above the engineer’s estimate.

BACKGROUND

The City of Fresno's (City) WMD maintains approximately 25,580 access structures and 1,600 miles of sewer collections and conveyance pipes. To ensure the reliability of this extensive pipe network, different portions of the system are designated annually for rehabilitation. The sewer infrastructure for this Project was identified in the Wastewater Collections System Infrastructure Renewal and Replacement Plan conducted by Akel Engineering Group, Inc., in 2020, to identify high priority sewer mains throughout the City for rehabilitation.

The Project consists of the rehabilitation of approximately 14,161 linear feet of 6-inch and 8-inch diameter sewer mains in the area bound by Ashlan, Millbrook, Gettysburg, and Cedar Avenues via the installation of Cured-In-Place-Pipe (CIPP). The CIPP method involves inserting a flexible liner inside the existing pipe, inflating the liner, and exposing it to heat or ultraviolet light to dry and harden the liner inside the pipe. The Project also involves manhole structural rehabilitation and replacement as needed.

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 thirty prospective bidders and posted at nine Building Exchanges. One sealed bid proposal was received and publicly opened on April 23, 2024. The sole bid price proposal was submitted by Floyd Johnston Construction Co., Inc., of California, with a submitted bid price in the amount of \$9,792,455. This bid price is 22.4 percent above the engineer's estimate of \$8,000,000. 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 CIPP 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