

**Council Meeting: April 1, 2008****SUBJECT: Reject All Bids Received In Response To Invitation For Bids F0701-64 For Pavement Rehabilitation Of Various Streets In The City Of Sunnyvale****REPORT IN BRIEF**

Approval is requested to reject all bids received in response to Invitation For Bids F0701-64 for pavement rehabilitation of various streets in the City of Sunnyvale (Public Works Project ST-06/01-08) due to flawed specifications. The specifications will be revised and formal bids will be re-advertised.

BACKGROUND

This project would have involved the rehabilitation of major streets at the following five locations:

- Fair Oaks Avenue from El Camino Real to Evelyn Avenue
- Kifer Avenue from Wolfe Road to Commercial Street
- Hollenbeck Avenue from Homestead Road to Alberta Street
- Mary Avenue from The Dalles to Cascade Drive
- Mary Avenue from Washington Avenue to Carson Drive

Street rehabilitation would have consisted of surface treatment (or reconstruction) of asphalt concrete overlay and other associated street/traffic work, based upon recommendations by Nichols Consulting Engineers.

EXISTING POLICY

Section 2.09.140 (b) of the City of Sunnyvale Municipal Code authorizes the City Council to reject all bids received in response to formal competitive bid solicitations. If all bids are rejected, the City has the discretion to re-advertise.

DISCUSSION

On March 5, 2008, sealed bids were opened for the pavement rehabilitation of various streets in the City of Sunnyvale. The contract specifications included a Base Bid for standard asphalt pavement and Alternate Bid for rubberized asphalt pavement in some areas. The bid document mistakenly defined the Base Bid as a lesser portion of the work rather than a majority of the work.

The lowest bidder of the Base Bid was not the lowest bidder of the Alternate Bids. Because the bid document stated that award would be made to the

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lowest bidder of the Base Bid, the City could not have awarded the majority of the work to the lowest bidder. It is in the best interest of the City to award the majority of the work and the greatest cost to the lowest bidder. The fairest way to do so and what would be considered the "best practice" would be to reject all bids, revise the specifications to place the majority of work in the Base Bid, and re-advertise the project.

Therefore, staff recommends rejection of all bids received in response to Invitation For Bids F0701-64, because it is in the best interest of the City.

FISCAL IMPACT

There will be no fiscal impact to the City.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

RECOMMENDATION

It is recommended that Council:

1. Reject all bids received in response to Invitation For Bids F0701-64.

Reviewed by:

Mary Bradley, Director, Finance
Prepared by: Karen Theriault, Interim Purchasing Officer

Reviewed by:

Marvin Rose
Director, Public Works

Approved by:

Amy Chan
City Manager