



**Council Meeting: February 8, 2011**

**SUBJECT: Reject Bids Received in Response to Invitation For Bids F1010-38 for Traffic Signal Reconstruction at Fair Oaks Avenue and Wolfe Road Interconnects**

**BACKGROUND**

Approval is requested to reject the seven (7) bids received in response to Invitation for Bids No. F1010-38 for Traffic Signal Reconstruction of Fair Oaks Avenue and Wolfe Road.

**DISCUSSION**

This project consists of furnishing all labor and materials necessary to install sidewalk, lighting and traffic signal improvements at the intersection of Fair Oaks Avenue and Wolfe Road and traffic signal interconnect along Fair Oaks Avenue between Maude Avenue and Duane Avenue. Additive Alternate 1 provided for an additional traffic signal interconnect on Wolfe Road between Fair Oaks and Steward Drive, and Additive Alternate 2 added Maude Avenue between Fair Oaks Avenue and Sunnyvale Avenue. Structuring the bid with the two additive alternates would potentially allow the City to award additional interconnect work if favorable prices were received.

When the bids were being evaluated, staff noticed considerable discrepancies amongst the bidders in the bid amounts for the additive alternates that may relate to misinterpretations over the traffic interconnect connections going south from Wolfe to Maude, likely caused by unclear markings on the project drawings.

The second and third low bidder assumed the referenced interconnects to be part of the Base Bid, and submitted bid pricing accordingly, while the low bidder likely assumed them to be part of the Additive Alternates, and priced accordingly. The net result is an unbalanced bid from the low bidder, whereby the Base Bid (which is what the contract award would be based on) is artificially low, while the Additive Alternates are more than twice the cost of those submitted by the second and third low bidders. When the Base Bid and the Additive Alternates are combined, the low bidder becomes the fourth low bid.

Overall the bids received (Base Bid plus Additive Alternates) were very favorable relative to the engineer's estimate. The total bid amounts ranged from \$461,395 to \$588,522 versus the estimated cost of approximately \$550,000 for the Base Bid portion alone. Should Council reject all bids as recommended, staff will make the

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necessary clarifications to the project drawings and reissue the bid. Given the favorable pricing (which is well within budgeted funding), the bid may be repackaged to include the Additive Alternates as part of the Base Bid.

**FISCAL IMPACT**

Budgeted funds are available in Capital Project 820190, Traffic Signal Hardware and Wiring.

**PUBLIC CONTACT**

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

**RECOMMENDATION**

It is recommended that Council reject the seven (7) bids received in response to Invitation for Bids No. F1010-38.

Reviewed by:

Grace K. Leung, Director of Finance  
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Marvin A. Rose, Director of Public Works

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

A. Bid Summary

ATTACHMENT A

Invitation for Bids No. F1010-38  
Traffic Signal Reconstruction Fair Oaks and Wolfe  
Project No. TR-10/02-10

Bidder Address	San Jose Signal Electric P O Box 61525 San Jose, CA 95161	Pacific Electric Contract 330 Phelan Avenue San Jose, CA 95112	Mike Brown Electric 561-A Mercantile Drive Cotati, CA 94931	Steiny & Company 27 Sheridan Street Vallejo, CA 94590	Tennyson Electric 7275 National Drive Livermore, CA 94550	St. Francis Electric 975 Carden Street San Leandro, CA 94577
<b>Base Bid</b>						
1. Install	Lump sum \$230,415.00	Lump sum \$299,780.00	Lump sum \$302,531.00	Lump sum \$332,659.00	Lump sum \$346,925.00	Lump sum \$367,767.00
2. Sheet	Lump sum \$1,000.00	Lump sum \$500.00	Lump sum \$0.00	Lump sum \$1,000.00	Lump sum \$2,500.00	Lump sum \$1,000.00
<b>TOTAL</b>	<b>\$231,415.00</b>	<b>\$300,280.00</b>	<b>\$302,531.00</b>	<b>\$339,659.00</b>	<b>\$349,425.00</b>	<b>\$368,767.00</b>
<b>Add Alts</b>						
AA1a.	Lump sum \$111,380.00	Lump sum \$43,219.00	Lump sum \$68,000.00	Lump sum \$116,345.00	Lump sum \$98,500.00	Lump sum \$125,855.00
AA1b.	Lump sum \$6,500.00	Lump sum \$500.00	Lump sum \$0.00	Lump sum \$1,000.00	Lump sum \$1,000.00	Lump sum \$1,000.00
AA2a.	Lump sum \$105,600.00	Lump sum \$62,800.00	Lump sum \$86,000.00	Lump sum \$79,300.00	Lump sum \$129,200.00	Lump sum \$91,900.00
AA2b.	Lump sum \$6,500.00	Lump sum \$500.00	Lump sum \$0.00	Lump sum \$1,000.00	Lump sum \$1,500.00	Lump sum \$1,000.00