

**Council Meeting: February 8, 2011****SUBJECT: Reject Bids Received In Response to Invitation For Bids (IFB) F1010-32 for a Camera Inspection Monitoring System****BACKGROUND**

Approval is requested to reject two bids received in response to Invitation for Bids F1010-32 for a camera inspection monitoring system and van for the City's sanitary sewer and storm water collection systems.

**DISCUSSION**

For the past several years Public Works staff has contracted out this service at considerable cost. Funds to purchase a system so the work could be performed in-house were included in the FY 2010/2011 Adopted Budget.

Invitation for Bids (IFB) F1010-32 was developed by Department of Finance, the specifications of which were jointly prepared by the Department of Public Works and the Office of the City Manager Fleet Maintenance Division, and IFB No. F1010-32 was issued on October 22, 2010. Bid documents were broadcast through the Demandstar by Onvia public procurement network with a due date of November 17, 2010. Two bids were received as follows:

<b>Supplier</b>	<b>Bid Price</b>
Municipal Maintenance Equipment, Inc.	\$141,875
Weco Industries, LLC	\$148,269

Subsequent to the bid opening, purchasing staff was contacted by the second low bidder who alleged that the low bidder did not meet all product specifications. Additionally, the low bidder provided conditional pricing for the GIS/GPS software needed to operate the equipment.

Fleet and Public Works staff concluded that most of the disputed items lacked standing, but several of the low bidder's product features appeared to not be compatible or appropriately interface with the City's GIS system (a necessary requirement for operational functionality). Although the second low bidder's product likely meets the City's specifications, the system's cost is approximately \$8,000 higher than the available budget of \$140,000.

The City reserves the right, and has full discretion, to reject any and all bids, especially those that are conditional in any way or found to be non-responsive. Rejecting the bids as recommended will give staff the opportunity to

reevaluate/reconfigure the specifications as necessary to clarify any inconsistencies and to help ensure that more competitive pricing is received so that the purchase is within budgeted amounts.

**FISCAL IMPACT**

None at this time. Budgeted Funds in the amount of \$140,000 are available in the Fleet Services program to purchase this unit.

**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 proposals received in response to Invitation For Bids F1010-32.

Reviewed by:

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

Reviewed by:

Marvin A. Rose, Director, Public Works

Reviewed by:

Robert Walker  
Assistant City Manager

Approved by:

Gary M. Luebbers  
City Manager