



Staff Report

TO: City Council
FROM: Jeff Hart, Public Works Director
DATE: June 21, 2022
SUBJECT: **Reject All Bids for Capital Improvement Project 2017-028 Westside Fire Station**

Background and Analysis:

On January 19, 2022, Capital Improvement Project (CIP) 2017-028 Westside Fire Station was publicly advertised soliciting construction bids. On March 11, 2022, ten (10) bids were received and publicly opened. The following is the bid result summary for the lowest three bidders:

Dalke & Sons (Dalke)	\$7,435,480
AMG and Associates (AMG)	\$7,437,000
Act 1 Construction (Act 1)	\$7,787,098

On April 24, 2022, Act 1 submitted a bid protest letter (Response, see Attachment A), alleging one finding for Dalke and six findings for AMG to be deemed nonresponsive. Dalke's bid was deemed nonresponsive at the time of bid opening due to an incomplete bid schedule. Subsequently, City staff provided AMG and the City Attorney a copy of the protest letter. On April 27, 2022, AMG provided a response letter (Letter, see Attachment B) to the City.

Staff worked with the City Attorney to evaluate the Letter and Response. Five of the six Letter's findings were found to be without merit or minor irregularities. However, it was found that AMG failed to list all subcontractors performing work over \$500 required by the CIP 2017-028 Westside Fire Station contract documents and is therefore non-responsive.

While the City may consider awarding the bid to the next lowest bidder, it is not required to do so. Rather than appear to have taken sides in a dispute between two competitors, it can reject all bids and put the project out to bid again. Rebidding will reduce the

likelihood of a lawsuit and may result in more competitive bid results. (AMG Bid Dispute Memorandum, see Attachment E).

Fiscal Impact:

The cost to reject all bids and readvertise for construction is estimated to be \$3,500.

Recommended Action:

Reject all bids for CIP 2017-028 Westside Fire Station and authorize City staff to readvertise for construction bids.

Attachments:

- A. Act 1 Protest Letter
- B. AMG Response to Protest Letter
- C. Act 1 Response to AMG Response Letter
- D. Act 1 Release of Bid Protest
- E. AMG Bid Dispute Memorandum