



## PUBLIC WORKS DEPARTMENT

CITY HALL  
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### CITY COUNCIL STAFF REPORT

Meeting: May 16, 2023

#### Subject

Consider rejecting all bids received for the 2023 Pavement Maintenance Phase 1 Project.

#### Recommended Action

Authorize the Director of Public Works to reject all bids received for the 2023 Pavement Maintenance Phase 1 Project.

#### Reasons for Recommendation

On March 17, the City of Cupertino advertised the 2023 Pavement Maintenance Phase 1 Project (Project No. 2023-101). This project would provide rehabilitation of various residential and collector roads throughout the City. The project was estimated to cost \$2.1 million. On April 18, the City received the following two responsive and responsible bids:

Bidder	Bid Amount	% Over Engineers Estimate
<b>Engineers Estimate</b>	<b>\$2,100,000</b>	
Granite Construction Co.	\$2,905,645.21	38.4%
O'Grady Paving, Inc.	\$2,959,365.25	40.9%

Both bids significantly exceeded the engineer's estimate, as well as the authorized project expenditure. This is likely due to a combination of reasons such as contractor availability and increases in labor and material costs. Staff recommends that, pursuant to Cupertino Municipal Code section 3.22.110(A), Council authorize the Director of Public Works to reject all bids.

The Department of Public Works will revise the project scope and readvertise the project in summer 2023, with recommended award and project start anticipated in Fall 2023. Rejecting the bids and readvertising with a revised scope is expected to result in more competitive bids being received, as well as better unit pricing, and bid totals that align with the project budget.

#### Sustainability Impact

This action does not have any direct sustainability impacts.

Fiscal Impact

Rejection of the bid will have no fiscal impact. Available funds will be carried over to next fiscal year.

California Environmental Quality Act (CEQA)

The proposed action is exempt from CEQA under CEQA Guidelines section 15378 (b) (5) as it is an administrative activity that will not result in a direct or indirect physical change to the environment.

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Prepared by: Jo Anne Johnson, Project Manager

Reviewed by: Chad Mosley, Interim Director of Public Works

Reviewed by: Matt Morley, Assistant City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – 2023 Pavement Report