

Agenda Report

December 14, 2015

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: RESCISSION OF CONTRACT AWARD TO HHS CONSTRUCTION, INC. FOR FIBER OPTIC SPLICING, TESTING, AND EMERGENCY TROUBLESHOOTING

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (B)(3); General Rule; and
2. Rescind the City Council's November 2, 2015 action authorizing award of a contract to HHS Construction, Inc. for fiber optic splicing, testing, and emergency troubleshooting.

BACKGROUND:

On November 2, 2015, staff presented a recommendation to the City Council to award a contract to HHS Construction, Inc. for fiber splicing, testing, and emergency troubleshooting services in support of the City's fiber optic network. The proposed action became necessary when the low bidder from a May 2015 competitive bid process performed its work unsatisfactorily, and its contract was terminated. HHS Construction, Inc. was the next lowest bidder in that process.

In an effort to leverage the previous competitive bidding process, which involved review by multiple departments and required extensive staff time, staff recommended award to HHS Construction, Inc. with a best interest exemption. However, the best interest exemption was not appropriate as the staff report omitted a required exemption from the competitive bidding requirements. An exemption from competitive bidding was necessary, as the prior contractor had already commenced work, preventing reliance on the prior bidding process, pursuant to Section 4.08.120 of the Municipal Code.

To rectify the situation, staff recommends that the City Council rescind its November 2, 2015 contract award authorization. Concurrently, staff has begun the formal bidding process to identify a new low bidder for required fiber splicing, testing, and emergency troubleshooting services.

COUNCIL POLICY CONSIDERATION:

The proposed action promotes the City Council's strategic goal to maintain fiscal responsibility and stability.

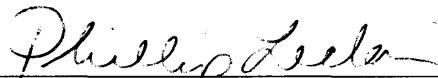
ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from the California Environmental Quality Act (CEQA) per section 15061 (b)(3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is administrative in nature, rescinding a previous contract award authorization.

FISCAL IMPACT:

There is no fiscal impact as a result of this action and it will not have any indirect or support cost requirements. The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

Respectfully submitted,



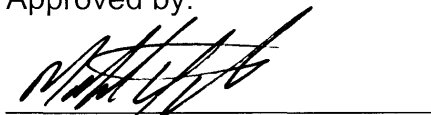
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