



AGENDA ITEM NO.

COUNCIL MEETING 01/08/08
APPROVED BY
DEPARTMENT DIRECTOR
CITY MANAGER

January 8, 2008

FROM: JERRY P. DYER, Chief of Police
Police Department

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Administrative Services Division

SUBJECT: REJECT THE SOLE BID FOR DESIGN, BUILD AND LEASE WITH OPTION TO PURCHASE CENTRAL DISTRICT AREA POLICE SUBSTATION AND ADJACENT SECURE STORAGE BUILDING (RFP NO. 2645)

KEY RESULT AREA

Public Safety

RECOMMENDATION

Staff recommends that the City Council reject the sole bid for the building of the Central District Policing Station and adjacent secure storage building.

EXECUTIVE SUMMARY

The Police Department, with the assistance of Purchasing, bid out the Central District Policing Station and secure storage building as a 20-year capital lease on September 13, 2007. Since that time, staff was given direction to explore the option of bonding these projects at terms that would allow the City to save taxpayer dollars. Staff is recommending that the sole bid received be rejected for the following reasons: 1) the financial terms for the project have materially changed with respect to the City's method of repayment; 2) the bid does not meet the specifications outlined with respect to the Solar Option and; 3) the City only received one bid on this project and thereby does not have any standard measure as to the cost effectiveness of the bid.

KEY OBJECTIVE BALANCE

This contract, which was to provide a new Central District Policing Station and an adjacent Secure Storage Building, will support the three Key Objectives of Customer Satisfaction, Employee Satisfaction and prudent Financial Management. Customer Satisfaction will be met by providing a new district station, which will provide a public counter for members of the public. Currently the Central District Station is not open to the public due to the constraints of the facility. Employee Satisfaction is derived from a new facility that can house all of the employees from the Central District. Officers currently work out of two different locations with investigations housed at one location and patrol operations out of another. Specialty vehicles and equipment are parked at a third location. Financial Management will be derived from the elimination of two different leases which house District Investigations and the specialty vehicles/equipment the Department utilizes for tactical operations.

BACKGROUND

General specifications were prepared for a design build process of a new Central District Policing Station and adjacent secure storage building. A Notice Inviting Bids was initially put out in March of 2007. The specifications were distributed to 29 different bidders. Several changes were made to the Request for Proposal and it was finally opened on September 13, 2007. The City received one bid on this project. Several of the companies were contacted regarding the reasons they did not bid on the project. Reasons included the risk of the project with no guarantee of lease payments from one year to the next.

Since that time the City has determined that it would be more fiscally prudent to change the terms for financing this project from a 20-year capital lease to a lease revenue bond, which is being put together along with several other City projects. A lease revenue bond would allow the builder to receive full payment upon completion of construction with impact fees utilized to pay for the bond. Rebidding this bid project could result in more bids and overall construction costs reduced.

Council may reject the bid. If the bid is rejected, the project will be rebid with the new finance terms, resulting in a delay of approximately 90 - 120 days.

FISCAL IMPACT

There is no fiscal impact at this time.

TH:pgh
01/02/08

Attachments: Listing of Proposers