



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#24-1099

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Susan Grant, Acting City Manager

DATE: November 19, 2024

TITLE: Motion Rescinding Award to Solares Electrical Services, Inc. and Rejecting
All Other Bids for the George T. Lohmeyer Wastewater Treatment Plant
Generators Phase 1 Project - \$3,698,000 - (**Commission Districts 1, 2, 3
and 4**)

Recommendation

Staff recommends the City Commission rescind its award to Solares Electrical Services, Inc. and reject all other bids in response to Invitation to Bid Event No. 301 - George T. Lohmeyer Wastewater Treatment Plant Generators Phase 1.

Background

On September 17, 2024, the City Commission approved the bid award and subsequent agreement for the George T. Lohmeyer Wastewater Treatment Plant Generators Phase 1 Project to Solares Electrical Services, Inc. (Solares) (CAM #24-0878). After Commission approval, pursuant to the requirements in Invitation to Bid (ITB) Event No. 301, the Procurement Services Division requested for Solares to execute the agreement and submit the required performance bond. However, Solares advised that it was unable to secure a performance bond from multiple surety companies recommended by their broker.

Failure to provide a performance bond is a material aspect of the solicitation requirement. In Procurement's due diligence to cure the matter, Staff met with one of the surety companies, Berkley Surety. During the meeting and as followed up by letter (Exhibit 2), the surety company expressed concerns with the 10% bid disparity between the low bidder and the other two bidders. According to the surety company, whenever there is a significant price variance between bidders there is greater risk for all parties involved (i.e. bidder, City, and surety company). Typically, a price analysis is performed by the surety company to ensure a high level of accuracy and confidence in having the awarded contractor successfully perform the project at the price submitted to furnish a performance bond. However, in this case, the surety company was unable to perform a detailed price analysis because the ITB was a lump sum bid containing no line items (Exhibit 3).

In response to the letter received from Berkley Surety, the Procurement Services Division requested the Schedule of Values from all three (3) bidders to provide to the surety

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company in our efforts to address their concerns. While the surety company did consider the Schedule of Values, they mentioned industry standard is to receive this information as part of the bid response. Berkley Surety held firm on their position to refuse issuance of a Performance Bond to Solares (Exhibit 4).

Staff further recommends not to award any other bidder since both bids are approximately 150% to 200% higher than Solares' bid. Therefore, it is recommended to rescind the award to Solares and reject the remaining bids.

Resource Impact

There will be no fiscal impact to the City associated with this action.

Strategic Connections

This item is a FY 2024 *Commission Priority*, advancing the Infrastructure and Resilience initiative.

This item supports the *Press Play Fort Lauderdale 2029* Strategic Plan, specifically advancing:

- The Infrastructure and Resilience Focus Area, Goal 3: Be a sustainable and resilient community.

This item advances the *Fast Forward Fort Lauderdale 2035* Vision Plan: We Are Ready.

This item supports the *Advance Fort Lauderdale 2040* Comprehensive Plan, specifically advancing:

- The Infrastructure Focus Area
- The Sanitary Sewer, Water, & Stormwater Element
- Goal 3: Develop and maintain an adequate water supply, treatment and distribution system, which meets existing and projected needs of the service area in an efficient, economical, and environmentally sensitive manner.

Attachments

Exhibit 1 – CAM #24-0878

Exhibit 2 – Letter from Berkley Surety

Exhibit 3 – Bid Tabulation

Exhibit 4 – Email from Berkley Surety

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