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DEPARTMENT OF
UTILITIES
ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
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June 13, 1995

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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: 2nd AVENUE SEWER MAIN INSTALLATION - PROJECT (PN:XE56) -
CONTRACT AWARD TO SPINELLA HEER CONSTRUCTION, INC. FOR AN
AMOUNT OF \$193,022.**

LOCATION AND COUNCIL DISTRICT:

This project is located on 2nd Avenue between Stockton Boulevard and Santa Cruz Way.
(District 5).

RECOMMENDATION:

It is recommended that the City Council accept the low bid of Spinella Heer Construction, Inc. for an amount of \$193,022, and award the contract.

CONTACT PERSON: Dan R. Sherry, Associate Engineer, 433-6637

FOR COUNCIL MEETING OF: June 27, 1995

SUMMARY

On April 18, 1995, the City Council approved the plans and specifications for this project and authorized advertising for bids. Bids from five contractors were received and opened by the City Clerk on May 31, 1995. Spinella Heer Construction, Inc. is the low bidder at \$193,022.

COMMITTEE/COMMISSION ACTION

None.



BACKGROUND INFORMATION

This project is located in the combined sewer system area. A sewer main was not installed in 2nd Avenue during original development because the trolley ran through 2nd Avenue. Homeowners along 2nd Avenue installed their sewer services through their neighbor's backyards and tapped into sewer mains located in the side streets. As this area developed, new homes either connected to the neighbor's existing service or a new sewer service was installed to the side street sewer main. The existing sewer services are frequently obstructed causing sewage to back up into the resident's homes. The obstructions are caused from deteriorating sewer services. Through the years, homes, patios, and other permanent structures have been constructed over many of the sewer services. This limits home owners access to maintain and replace their sewer services.

This project will allow the means of eliminating the use of inadequate private services in the future. This project will install approximately 1300 linear feet of 10 to 12 inch diameter combined sewer pipe in 2nd Avenue, new sewer services, clean outs, and replace stormwater drop inlets and leads. The new pipes have been sized to handle future sewer flows, stormwater runoff, and allow utility crews to maintain the pipes within the city right-of-way. Property owners can remain connected to the existing sewer system or connect to the new sewer system once this project is completed. Property owners will be responsible for replumbing existing on-site sewer lines from their homes to the new sewer cleanouts located in the planter areas between the curb and sidewalk. The existing sewer services will be abandoned once the homes have connected to the new system.

Bids were received from five contractors as follows:

1.	Spinella Heer Construction, Inc.	\$193,022*
2.	Sierra National Construction	\$196,882
3.	Environmental Construction	\$206,524*
4.	Richard Cox Construction, Inc.	\$239,777
5.	Daniel Ontiveros Construction Co. Inc.	\$248,666*

Note: MBE/WBE contractors are indicated with an asterisk (*)

The low bidder, Spinella Heer Construction, Inc. is a woman-owned business which will be using three minority business enterprises with a subcontract value of \$31,046.

The project engineer's estimated construction cost was \$167,620.

FINANCIAL CONSIDERATIONS

The total estimated project costs, including all planning, design, and construction costs are \$251,427. The current budget, approved in the FY94/95 Capital Improvement Program, is \$335,000; and the unobligated balance as of June 5, 1995, is \$315,198. Sufficient funds are available in this project to award this contract of \$193,022.

ENVIRONMENTAL CONSIDERATIONS

The Environmental Services Division has determined that this project is categorically exempt pursuant to Section 21080.21 of the California Environmental Quality Act.

POLICY CONSIDERATIONS

This action is consistent with Chapter 58, Article III, Section 58.03.304 of the City Code, which provides that the City Council may award competitively bid contracts to the lowest responsible bidder or reject all bids.

MBE/WBE

This project included MBE/WBE participation goals of 10.57% MBE and 9.5% WBE, as required by Resolution No. 93-619, relating to MBE/WBE participation goals and policies adopted by the City Council on November 2, 1993. Award of contract is contingent upon the responsive low bidder either meeting the project MBE/WBE participation goals or making adequate good faith efforts towards meeting the project goals. Bids submitted which met or exceeded the MBE/WBE goals are eligible for bid price preference up to a maximum of 7% or \$25,000, whichever is lower.

The MBE/WBE participation achieved by the three low bidders as identified in their bids is listed in the following table:

Bidder	Bid Amount	MBE		WBE		Good Faith Effort Documentation
		\$*	%	\$*	%	
Spinella Heer Const., Inc.	\$193,022	21,489	11.13	161,976	83.92	Not applicable - met goals
Sierra National Construction.	\$196,882	23,000	11.68	19,200	9.75	Not applicable - met goals
Environmental Construction	\$206,524	177,324	85.86	22,400	10.85	Not applicable - met goals

*- Dollar values have been adjusted by the percent allowed for trucking and supplies.

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The low bidder, Spinella Heer Construction Inc., is a City certified WBE firm and has met the City's MBE participation goal as verified by staff. The second low bidder, Sierra National Construction also met the City's MBE/WBE participation goals. The third low bidder, Environmental Construction, is a City certified MBE firm and has met the City's WBE participation goal as verified by staff.

The first, second, and third low bidders are entitled to price preference of seven, five, and seven percent respectively. After the price preferences are applied, Spinella Heer Construction remains the low bidder.

The three MBE subcontractors listed by Spinella Heer Construction will be responsible for \$31,046 of the contract and Spinella Heer will be responsible for \$161,976 of the contract. Staff has confirmed the three minority owned business enterprises and Spinella Heer Construction, Inc. are City certified.

Plans and specifications were sent to nine (9) plan rooms and construction services organizations for publication and use by the construction industry of Northern California. There are four (4) organizations on the distribution list that are directly involved with outreach to MBE/WBE contractors.

Other outreach efforts to MBE/WBEs for this project included:

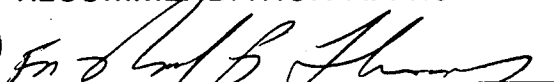
- Free access to review the project plans and specifications at the City of Sacramento Planroom at Engineering Division offices at 1231 I Street, 2nd floor.
- Notice of this project provided to three minority chambers of commerce and three minority and women community organizations directly involved with outreach to MBE/WBEs.

Respectfully submitted,




Gary A. Reents
Acting Engineering Services Manager

RECOMMENDATION APPROVED:


William H. Edgar
City Manager

APPROVED:


James G. Sequeira
Director of Utilities

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY CLERK TO SIGN AND EXECUTE A CONTRACT WITH SPINELLA HEER CONSTRUCTION, INC. FOR THE 2nd AVENUE SEWER MAIN INSTALLATION (PN: XE56)

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

The City Manager and City Clerk are authorized to sign and execute a contract with Spinella Heer Construction, Inc. for the 2nd AVENUE SEWER MAIN INSTALLATION (PN: XE56) for an amount of \$193,022.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____