

RESOLUTION NO. 2006-667

Adopted by the Sacramento City Council

September 5, 2006

REJECT BIDS FOR THE TRUXEL ROAD AT NATOMAS MARKETPLACE NORTH ENTRANCE PROJECT (PN: ST21)

BACKGROUND

- A. The Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21) will construct a traffic signal at the northern Truxel Road driveway entrance to the Natomas Marketplace site. This project is the first phase of the Truxel Road Traffic Improvements Project (PN: ST21). The second phase of the Truxel Road Traffic Improvements Project will extend the northbound Truxel Road left turn pocket and re-stripe the triple left turn to accommodate the left turn pocket extension at the Truxel Road and Gateway Park Boulevard intersection for the northbound traffic entering the Natomas Marketplace main entrance. California Department of Transportation (Caltrans)'s approval is required to implement the second phase of the Improvement Project. Staff is working with Caltrans for their approval.

The Truxel Road Traffic Improvements Project is the direct result of a Settlement Agreement and Release of Litigation between the following parties: 1) Donahue Schriber Realty Group, L.P., the Petitioner in the Litigation, and the owner of the Natomas Marketplace, 2) The City of Sacramento, respondents in the Litigation, 3) Opus West Corporation, a Real Party in Interest in the Litigation and the owner and developer of the Promenade at Natomas Project, and 4) The Fong Liquidating Trust, and its Co-Trustees Norma On, Roger G.F. Fong, and Merrily F. Wong, Real Parties in Interest in the Litigation and the owners of a portion of the Promenade Project site. As part of the above mentioned settlement agreement, the developer of the Promenade at Natomas Project has set aside \$1,000,000 in an improvement-bond liquefied by the City and transferred into the Truxel Road Traffic Improvements Project (PN: ST21). The City is to use all reasonable efforts to complete the construction of the Traffic Improvement Project by December 31, 2006 according to the settlement agreement.

- B. Staff has been diligent in all efforts to meet the December completion schedule. This project was advertised and one bid was received on July 26, 2006. The bid is summarized below:

| Contractor | Bid Amount | ESBE Participation Goal 20% |
|-------------------|-------------------|--|
| Yubacon, Inc. | \$758,267 | 82.5% |

The engineer's estimate is \$507,000.

The apparent low bidder, Yubacon, Inc. met the minimum ESBE participation goal of 20%. However, the bid amount is considerably high and exceeds the engineer's estimate by approximately \$251,000 (50%). Based on the bid, the estimated total project cost for the Truxel Road Traffic Improvement Project will exceed the improvement bond by \$200,000.

- C. Due to the considerably high bid and a short construction time frame because of the holiday season moratorium, it is recommended that the bid be rejected and the project be re-advertised for bids. Staff will contact potential bidders to solicit and encourage more competitive bidding. Staff will increase the number of working days to provide more time to construct the improvements. Staff will re-advertise the project at a later time this year with start of construction anticipated in February 2007 and completion in summer 2007. Rejecting the bid and re-advertising the project will delay the completion date. Staff will continue to use all reasonable efforts to obtain Caltrans' approval and complete the project at the earliest possible time.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The one bid received on July 26, 2006 for the Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21) be rejected and the project should be re-advertised.

Table of Contents:

Exhibit A: Map of Truxel Road at Natomas Marketplace North Entrance Project
(PN: ST21)

Adopted by the City of Sacramento City Council on September 5, 2006 by the following vote:

Ayes: Councilmembers, Cohn, Fong, McCarty, Sheedy, Tretheway, Waters.


Noes: None.

Abstain: None.

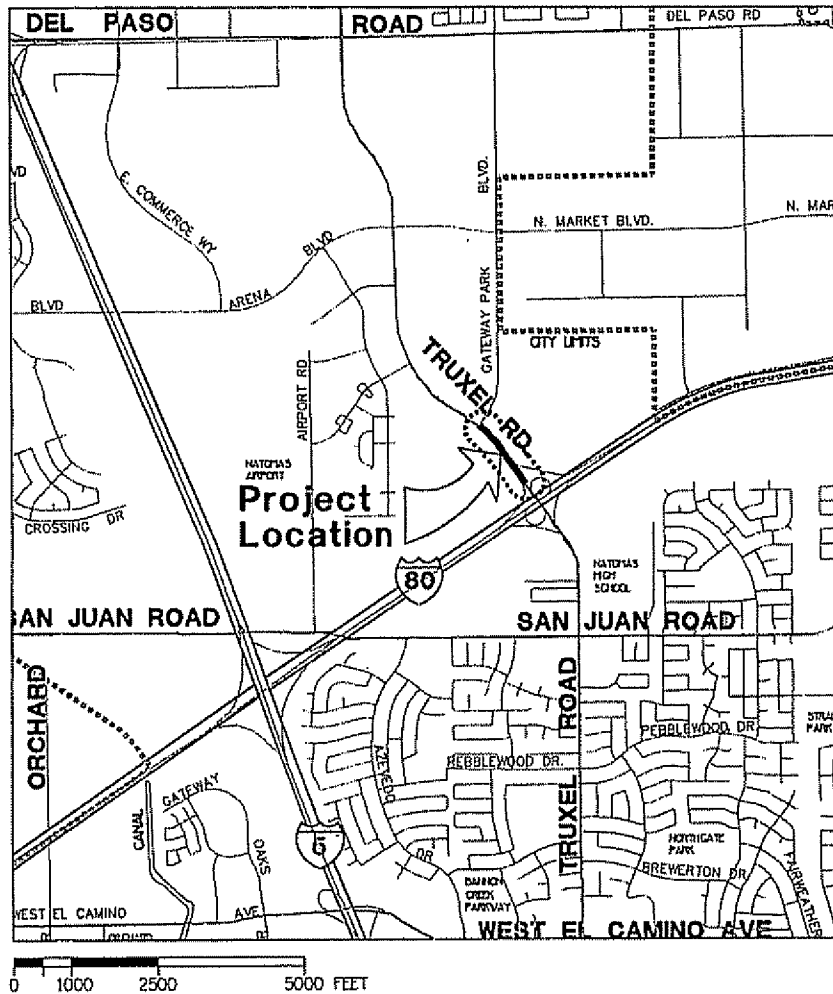
Absent: Councilmembers, Hammond, Pannell, and Mayor Fargo.

Attest


Shirley Concolino, City Clerk


Robert King Fong, Vice Mayor

TRUXEL ROAD AT NATOMAS MARKETPLACE ENTRANCE PROJECT



PN: ST21 LOCATION MAP

MAP CONTACT: D. CAMERON
DATE: 8/08/06