

**Meeting Date: 8/13/2013**

**Report Type:** Consent

**Report ID:** 2013-00646

**Title: Rejection of Bids: 5th Street/Railyards Boulevard Roadway Project (T15135800)**

**Location:** Downtown near Sacramento Valley Station, between I Street Bridge and 7th Street, District 3

**Issue:** A bid protest has been received on the City's intent to award to the lowest responsive and responsible bidder. Rejection of all bidders and re-advertising the project with amendments to the bid documents will avoid delays associated with the bid protest hearing process that could jeopardize the project's grant funding time line.

**Recommendation:** Pass a Motion rejecting all bids for the 5th Street/Railyards Boulevard project.

**Contact:** Jon Blank, Supervising Engineer, (916) 808-7914; Nicholas Theocharides, Engineering Services Manager, (916) 808-5065, Department of Public Works

**Presenter:** None

**Department:** Public Works Department

**Division:** Construction Inspect & Survey

**Dept ID:** 15001141

**Attachments:**

1-Description/Analysis

2-Background

3-Exhibit A (Location Map)

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### **City Attorney Review**

Approved as to Form

Michael Sparks

8/5/2013 10:19:41 AM

### **Approvals/Acknowledgements**

Department Director or Designee: Jerry Way - 8/2/2013 7:46:54 AM

## **Description/Analysis**

**Issue:** On February 26, 2013, City Council adopted a resolution authorizing the City Manager to execute a project delivery agreement with IA Holdings (IAH), which provided for the City to deliver the 5th Street/Railyards Boulevard Roadway Project on behalf of IAH. The City advertised the project plans and specifications prepared by IAH's consultant on May 28. Bids were received on July 10.

A joint venture between Teichert Construction and M.C.M. Construction (Teichert/MCM) was the apparent low bidder, but Teichert/MCM was found to be nonresponsive to the bid solicitation because it failed to file an affidavit of joint venture with the City and have it approved by the City engineer prior to the time for opening of bids, as required by the City's standard specifications. Further, Teichert/MCM appeared not to meet the City's ESBE requirements; however, upon further analysis, the plans and specification that were advertised omitted an essential part of the City's ESBE requirements, which raises an issue about whether Teichert/MCM's bid is responsive. As a result, the City issued a notice of intent to recommend awarding the contract to the next lowest responsive and responsible bidder.

Teichert/MCM has filed a bid protest. A final determination of the lowest responsive and responsible bidder would require a lengthy hearing process and could potentially jeopardize the project funding time line requirements. Rejecting all bids and re-advertising the project will avoid unnecessary delays associated with the bid protest process and allow the project's completion time line to be met.

**Policy Considerations:** The action requested herein is consistent with the City API 4002, Section 8.5(b), which states: for contracts of \$100,000 or more, only the City Council has authority to reject bids.

**Economic Impacts:** None.

### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The 5th Street Roadway / Railyards Boulevard project (which includes both the bridge portion of the 5<sup>th</sup> Street Extension and overcrossing roadway portion) was subject to environmental review as part of the Railyards Specific Plan Environmental Impact Report (RSPEIR), which was certified on December 11, 2007. No new information or changed conditions require any supplemental environmental review for the proposed actions.

**Sustainability Considerations:** The 5th Street Roadway / Railyards Boulevard project will provide access to the Railyards and promote smart growth, infill development, brownfield reuse, and transit-oriented development. The project is critical to the development of the Railyards, and provides opportunities for improved public transit over the Sacramento River.

**Other:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Teichert/MCM failed to file an affidavit of joint venture as required by the City's standard specifications, and the bid documents failed to include an essential part of the City's ESBE requirements. A final determination of the lowest responsive and responsible bidder through the City's bid protest hearing process would be time consuming and could jeopardize the project's grant funding requirements. Rejecting all bids and re-advertising the project after amending the bid documents will allow the project's time line to be met.

**Financial Considerations:** The 5th Street Roadway / Railyards Boulevard Project (T15116200) is funded with two Department of Housing and Community Development grants: a Proposition 1C Transit-Oriented Development (TOD) grant, and a Proposition 1C Infill grant. IA Holdings is the recipient of both of these grants. The TOD grant has funded construction of the bridge portion of the 5<sup>th</sup> Street project and the design for the connecting roadways north and south of the bridge. The Proposition 1C Infill grant and the balance of the TOD grant will be used to fund the construction of the 5th Street/Railyards Boulevard Roadway Project.

IA Holdings will pay the City on a time and materials basis for performance of the City's services to deliver the 5th Street Roadway / Railyards Boulevard Project.

There are no General Funds planned or allocated for this project.

**Emerging and Small Business Enterprise (ESBE):** Not applicable for this action.

## **Background**

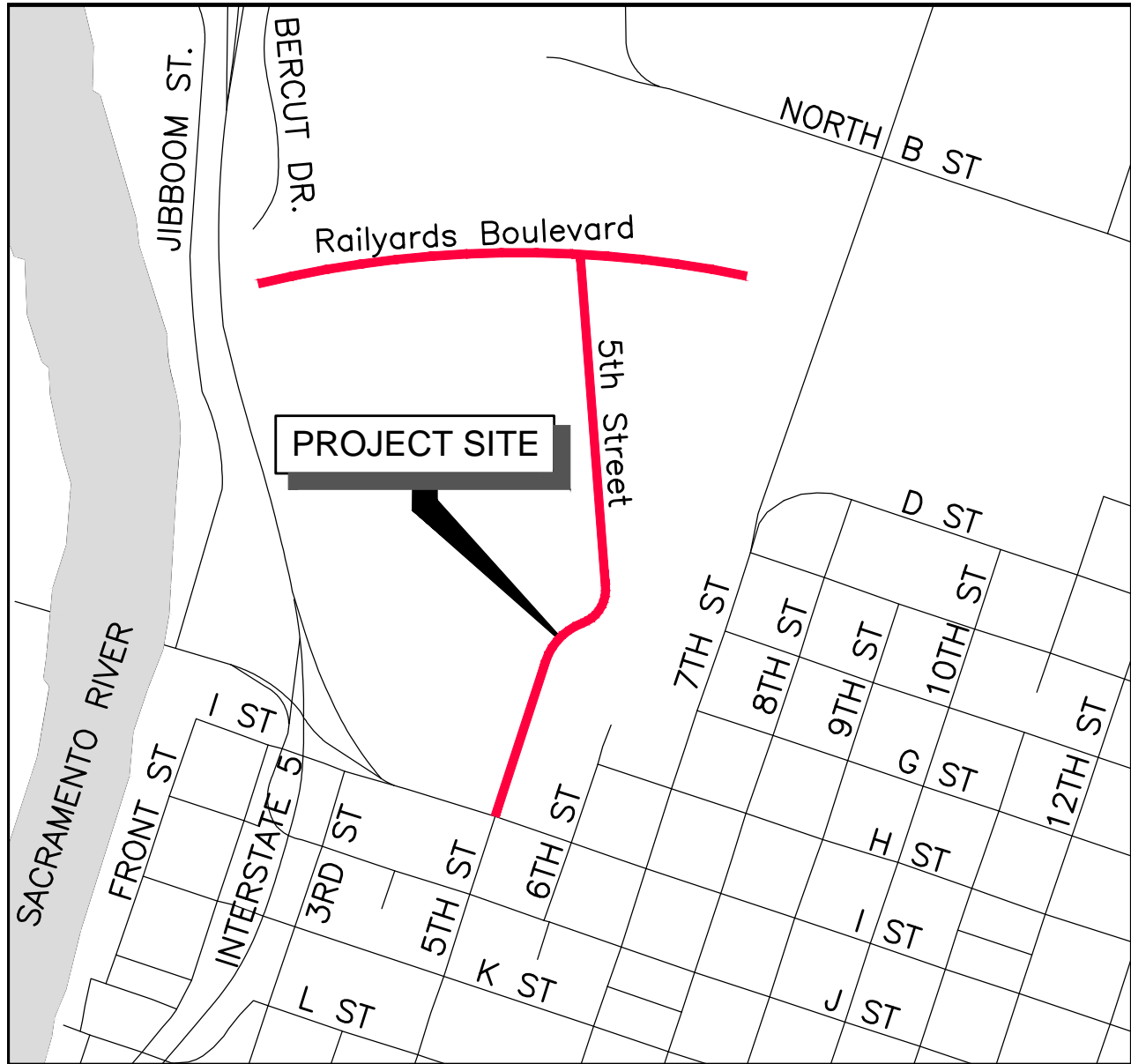
The State Department of Housing and Community Development (HCD) awarded two grants to fund the 5th Street Roadway /Railyards Boulevard project using Proposition 1C funds. The Transit-Oriented Development (TOD) grant of \$17 million was awarded to construct the extension of 5<sup>th</sup> Street from H Street in the south to Stevens Street in the north. The Infill grant of \$30 million is intended to extend 5<sup>th</sup> Street to Railyards Boulevard and to construct Railyards Boulevard.

This funding has already been used to construct the bridge portion of 5<sup>th</sup> Street over the relocated mainline tracks and for design of the roadway connections. The anticipated cost to complete of the 5<sup>th</sup> Street and Railyards project is \$30,000,000.

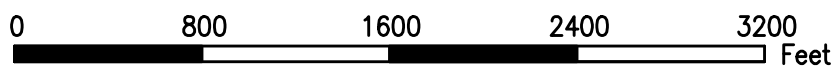
IA Holdings is a secured lender and has requested the City to deliver the project public infrastructure project by entering contracts for construction, construction management, the protection of existing utilities, and the installation of new electric, gas and communication facilities.

On February 26, 2013, City Council approved the 5<sup>th</sup> Street Project Delivery Agreement which defines the terms in which the City would deliver the 5th Street Roadway / Railyards Boulevard project for IA Holdings.

Location map for:  
**5th Street Roadway/  
Railyards Boulevard Project**  
PN: T15135800



Map Contact: Boris Kiksmán  
Date: February 2013



SCALE

