

DEPARTMENT
OF UTILITIES

ENGINEERING
SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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June 14, 2005

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: N STREET SEWER IMPROVEMENTS - 25TH TO 29TH STREET (PN: XN05) -
AUTHORIZE AN AGREEMENT FOR PAYMENT OF ADDITIONAL CAPACITY
COSTS WITH SUTTER HEALTH - SACRAMENTO SIERRA REGION FOR AN
AMOUNT OF \$731,000, APPROPRIATE FUNDS IN THE AMOUNT OF \$960,000,
AND AWARD CONTRACT TO FLOREZ PAVING FOR AN AMOUNT NOT TO
EXCEED \$1,333,555**

LOCATION AND COUNCIL DISTRICT:

The project is located on N Street between 25th Street and 29th Street and on 29th Street between Capitol Avenue and O Street (see Exhibit A- Location Map). The project is located in Council District 3.

RECOMMENDATION:

Staff recommends that the City Council:

- Authorize and direct the City Manager to execute a Cooperative Agreement with Sutter Health for \$731,000.
- Amend the FY2004/05 Capital Improvement Program revenue and expenditure budgets by appropriating \$731,000 (Capital Grants, Fund 248) to the N Street Sewer Improvements - 25th to 29th Street project (XN05).
- Appropriate \$171,750 from the Sewer Fund Contingency Reserve to the N Street Sewer Improvement - 25th to 29th Street project (Fund 414, CIP#XN05).
- Appropriate \$57,250 from the Drainage Fund Contingency Reserve to the N Street Sewer Improvement - 25th to 29th Street project (Fund 425, CIP#XN05).

Accept the low responsive bid from Florez Paving for an amount not to exceed \$1,333,555 and award the contract.



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

City Council Letter
June 14, 2005
N Street Sewer Improvements - 25th to 29th Street - (PN: XN05)

CONTACT PERSON: Dave Brent, Engineering Services Manager, 808-1420
Rick Batha, Supervising Engineer, 808-1448

FOR COUNCIL MEETING OF: June 14, 2005

SUMMARY

The project is intended to rehabilitate and replace deteriorated combined sewer mains in N Street between 25th Street and 29th Street and replace and increase the size of combined sewer mains in 29th between Capitol Avenue and O Street. The deteriorated sewer main in 29th Street will be replaced with a large diameter pipeline that will serve as in-line storage to mitigate increases in sewer flows from the proposed Sutter Health Women's and Children's Hospital to be constructed at 29th and Capitol. A cost share agreement with Sutter Health has been developed to offset the additional costs to enlarge the combined sewer main. Bids were received from two (2) contractors and opened by the City Clerk on May 11, 2005. Florez Paving was the lowest responsive bidder with a bid of \$1,333,555.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND

The original scope of work for this project included replacing or rehabilitating deteriorated combined sewer mains in N Street between 25th and 29th Streets and in 29th Street between Capitol Avenue and N Street. While this option was being designed, it was brought to the attention of design staff that Sutter Health was investigating ways to mitigate the sewer flows for their proposed women and children's hospital at Capitol Avenue and 29th Street. An engineering evaluation was conducted that concluded that the proposed Sutter Hospital sewer flows could be mitigated by increasing the size of the sewer main in 29th Street between Capitol and O Street to create in-line storage. Per Chapter 13.08.490 of the City Code (the Sewer Ordinance), adopted March 15, 2005, customers that wish to connect to the combined sewer system shall pay the combined sewer development fee that may be offset if the customer constructs or contributes to the construction of a project that mitigates the impact of the additional sewage flows contributed by the customer. By constructing this in-line storage, the impacts from the Sutter Hospital development is fully mitigated at a cost significantly less than the cost of the calculated development fee. As a result, a cost share agreement has been developed between the City and Sutter Hospital for design and construction of the in-line storage in 29th Street.

This project was advertised and two (2) bids were received and opened on May 11, 2005. The bids are summarized below:

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Contractor	Bid Amount
Florez Paving	\$1,333,555
Navajo Pipelines, Inc.	\$1,346,521

- Staff recommends contract award to Florez Paving, which exceeded the ESBE goals.
- The estimated completion date is November 2005.
- The engineers estimate was \$900,000.

Project bid results are approximately forty-eight percent (48%) greater than the engineers estimate. Several factors contributed to the higher bids including:

- Increased pipe material costs for larger diameter pipes;
- Traffic control requirements for primary streets; and
- Short project completion window to coordinate with a Department of Transportation road reconstruction project on 29th Street between Capitol Avenue and O Street.

FINANCIAL CONSIDERATIONS

The total project cost including design, construction, inspection and contingency is \$1,560,000 based on the bid of \$1,333,555. A funding agreement with Sutter Health has been completed for this project and based on the current total project delivery estimate and the language in the funding agreement, Sutter Health will provide funding in the amount of \$731,000. The City's share of the project is \$829,000. As of June 4, 2005, the budget for this project (CIP #XN05, Fund 414/425) is \$600,000 which is insufficient for award and project completion. An additional \$229,000 will be required to complete this project, which is recommended to be appropriated as follows:

- Appropriate \$171,750 from the Sewer Fund Contingency Reserve, in which there is a balance of \$5,168,388 as of May 17, 2005, to the N Street Sewer Improvement - 25th to 29th Street project (CIP #XN05, Fund 414).
- Appropriate \$57,250 from the Drainage Fund Contingency Reserve, in which there is a balance of \$13,707,807 as of May 17, 2005, to the N Street Sewer Improvement - 25th to 29th Street project (CIP #XN05, Fund 425).

ENVIRONMENTAL DETERMINATION

The Planning Services Division, Environmental Section, has reviewed the project and has determined that this project is exempt from CEQA under Section 15302(c) of the CEQA Guidelines. A notice of categorical exemption will be filed with the County Clerk after City Council award of the project.

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N Street Sewer Improvements - 25th to 29th Street - (PN: XN05)

POLICY CONSIDERATIONS

This action is in conformance with City Code section, 3.60 Articles I and III, which provides that the City Council may award competitively bid contracts to the lowest responsible bidder.

This report's recommendation is consistent with the City's Strategic Plan Goals to achieve sustainability and livability and expanding economic development throughout the city.

ESBD CONSIDERATIONS

This project included participation goals of 20% for emerging and small business enterprises as required by Ordinance 99-007 and Resolution 99-055, relating to ESBD participation goals and policies, adopted by the City Council on February 9, 1999. The responsive low bidder, Florez Paving, exceeded the ESBE goals with a participation level of 94.49%.

Respectfully submitted,



Dave Brent
Engineering Services Manager

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

APPROVED:



Gary Reents
Director of Utilities

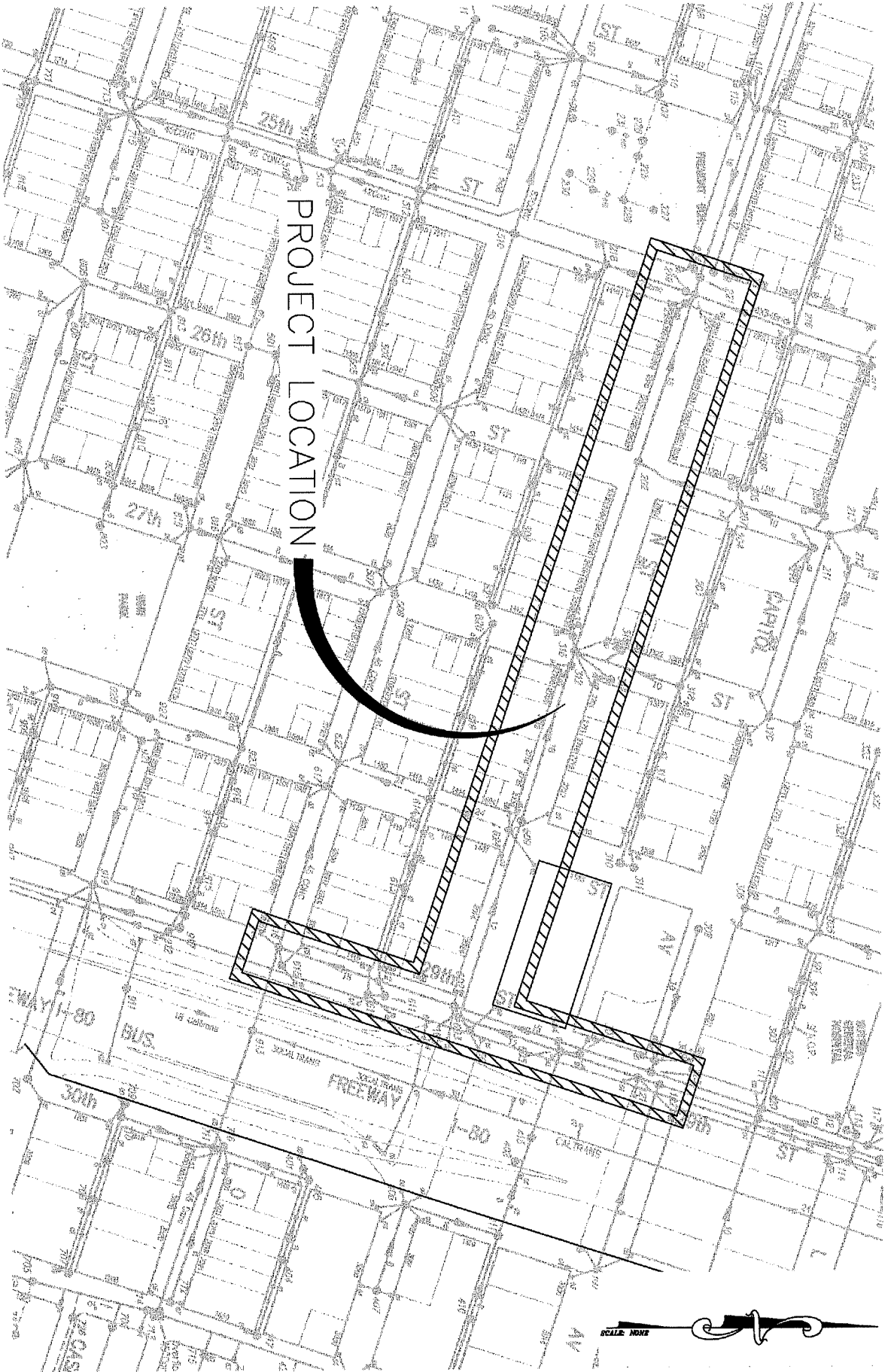
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EXHIBIT A – LOCATION MAP

N ST SEWER REPLACEMENT – 25TH TO 29TH STREET

NOTE: NO SCALE



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION TO AUTHORIZE THE CITY MANAGER AND CITY CLERK TO EXECUTE AN AGREEMENT FOR PAYMENT OF ADDITIONAL CAPACITY COSTS WITH SUTTER HEALTH - SACRAMENTO SIERRA REGION FOR AN AMOUNT OF \$731,000, APPROPRIATE FUNDS IN THE AMOUNT OF \$960,000, AND AWARD CONTRACT TO FLOREZ PAVING FOR AN AMOUNT NOT TO EXCEED \$1,333,555, FOR THE N STREET SEWER IMPROVEMENTS - 25TH TO 29TH STREET (PN: XN05)

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. The City Manager is authorized to sign and execute an agreement for payment of additional capacity costs with Sutter Health - Sacramento Sierra Region for \$731,000.
2. The FY 2004/05 Capital Improvement Program (Capital Grants, Fund 248) hereby is amended to increase the revenue and expense budgets of the N Street Sewer Improvements, 25th-29th Project (PN: XN05) by \$731,000.
3. The City Manager is authorized to appropriate \$171,750 from the Sewer Fund Contingency Reserve (Fund 414, Org #7012) to the N Street Sewer Improvements, 25th-29th Project (PN: XN05).
4. The City Manager is authorized to appropriate \$57,250 from the Storm Drainage Fund Contingency Reserve (Fund 425, Org #7012) to the N Street Sewer Improvements, 25th-29th Project (PN: XN05).
5. The City Manager is authorized to sign and execute a construction contract with Florez Paving for the N Street Sewer Improvements - 25th to 29th Street - (PN: XN05) for an amount not to exceed \$1,333,555.

MAYOR

ATTEST:

CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Supplemental Material

For

City of Sacramento

City Council

Housing Authority

Redevelopment Agency

Economic Development Commission

Sacramento City Financing Authority

Agenda Packet

Submitted: June 13, 2005

For the Meeting of: June 14, 2005

- Additional Material
- Revised Material

Subject: Revision of the Environmental Determination (Wrong CEQA Section quoted)


Approved By: Gary Reents, Director of Utilities

Contact Information:
Deborah Talbot, 808-1454

City Council Letter
June 7, 2005
N Street Sewer Improvements - 25th to 29th Street - (PN: XN05)

This project was advertised and two (2) bids were received and opened on May 11, 2005. The bids are summarized below:

Contractor	Bid Amount
Florez Paving	\$1,333,555
Navajo Pipelines, Inc.	\$1,346,521

- Staff recommends contract award to Florez Paving, which exceeded the ESBE goals.
- The estimated completion date is November 2005.
- The engineers estimate was \$900,000.

FINANCIAL CONSIDERATIONS:

The total project cost including design, construction, inspection and contingency is \$1,560,000 based on the bid of \$1,333,555. A funding agreement with Sutter Health has been completed for this project and based on the current total project delivery estimate and the language in the funding agreement, Sutter Health will provide funding in the amount of \$731,000. As of June 4, 2005, the budget for this project (CIP #XN05, Fund 414/425) is \$600,000 which is insufficient for award and project completion. After including \$731,000, additional in contribution from sutter Health funding of \$229,000 will be required to complete this project, which is recommended to be appropriated as follows:

- Appropriate \$171,750 from the Sewer Fund Contingency Reserve, in which there is a balance of \$5,168,388 as of May 17, 2005, to the N Street Sewer Improvement - 25th to 29th Street project (CIP #XN05, Fund 414).
- Appropriate \$57,250 from the Drainage Fund Contingency Reserve, in which there is a balance of \$13,707,807 as of May 17, 2005, to the N Street Sewer Improvement - 25th to 29th Street project (CIP #XN05, Fund 525).

ENVIRONMENTAL DETERMINATION:

This project will replace pipelines with a total length of less than one mile within public streets, and therefore is exempt from California Environmental Quality review under Section 21080.21 of the Public Resources Code. A notice of exemption will be filed with the County Clerk after City Council approval of the project.