



# REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www.CityofSacramento.org

Consent  
July 27, 2010

Honorable Mayor and  
Members of the City Council

**Title:** Reject Bid for Basin 55 I & I Reduction Project (X14000800)

**Location/Council District:** Residential areas in the City of Sacramento (see location map - Attachment 1)/Council District 4&7.

**Recommendation:** Adopt a **Resolution** rejecting the single bid received for the Basin 55 I&I Project.

**Contact:** David L. Brent, Engineering Manager, 808-420; Rick Batha, Supervising Engineer, 808-1448.

**Presenters:** N/A

**Department:** Utilities

**Division:** Engineering Services

**Organization No:** 14001311

## Description/Analysis

### Issue:

The City received only one bid for this project that exceeded the Engineer's Estimate and the project budget. City staff recommends rejection of this bid in order to revise the project scope and rebid the project.

### Policy Considerations:

The City Council is authorized to reject all bids under Chapter 3.60 of the City Code.

### Environmental Considerations:

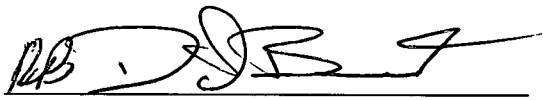
**California Environmental Quality Act (CEQA):** CEQA does not apply to the rejection of bids.


**Sustainability Considerations:** Sustainability does not apply to the rejection of bids.

**Rationale for Recommendation:** After the plans and specifications were completed by Engineering Services, the project was formally advertised to solicit public bids. On June 23rd, 2010, the City Clerk opened one bid. Rejection of bids is recommended because there was insufficient bidding competition based upon the project specifications resulting in one bid, which also exceeded the project budget.

**Financial Considerations:** The single bid from Pacific Liners, Inc. was \$1,170,900, which significantly exceeded the Engineer's Estimate of \$881,000. The total project cost, including design, construction, inspection and contingency is estimated to be \$1,492,898, which is higher than the project budget.

**Disadvantage Business Enterprise/Minority Business Enterprise/Women Business Enterprise (DBE/MBE/WBE):** This project included a revised participation requirement of 10% for emerging and small business enterprises (ESBE's) 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 revised specifications will also include the requirement.

Respectfully Submitted by:   
David L. Brent  
Engineering Services Manager

Approved by:   
Marty Hanneman  
Director of Utilities

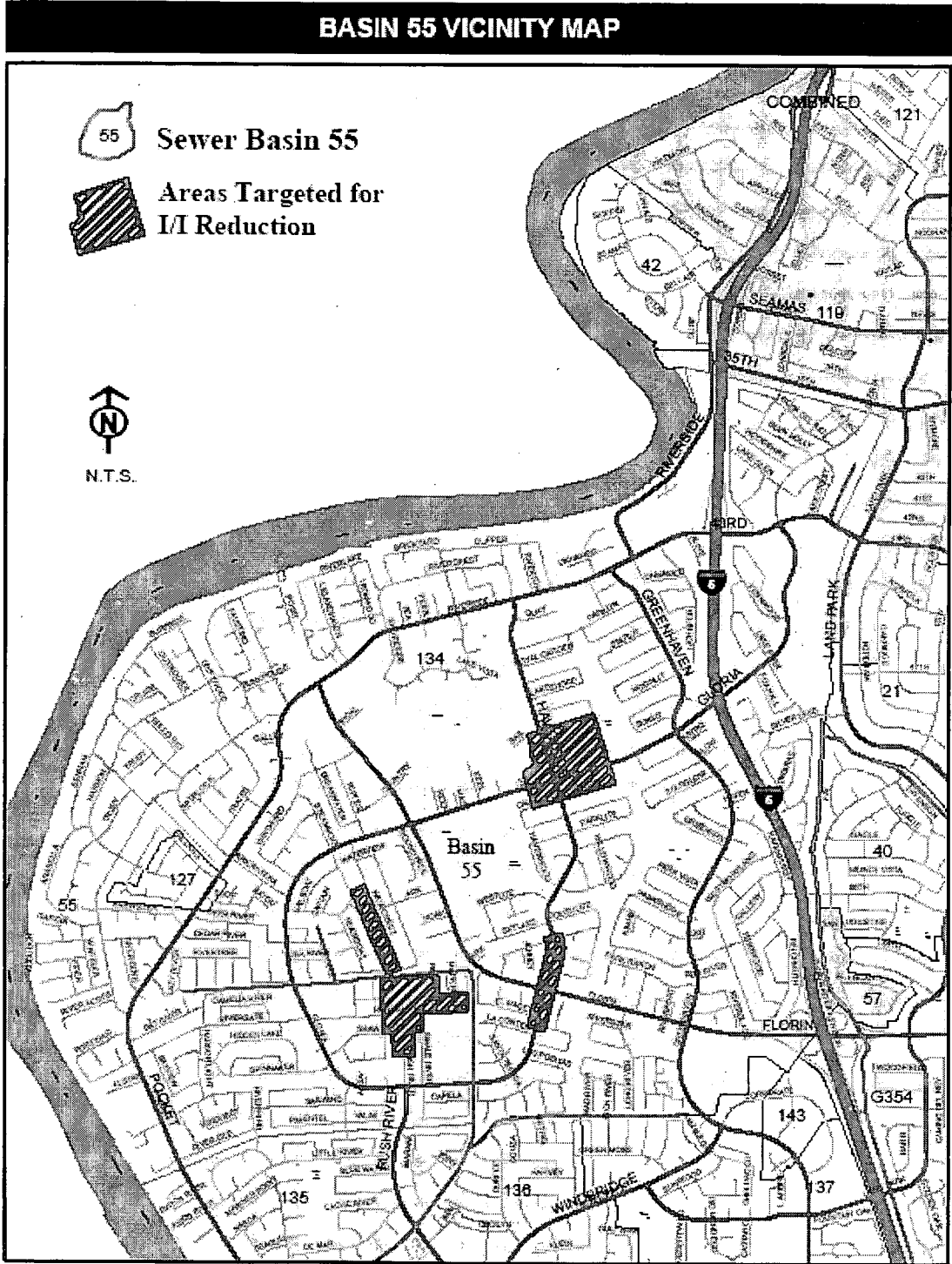
Recommendation Approved:

  
Gus Vina  
Interim City Manager

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Attachment 1



**Attachment 2****BACKGROUND**

City Field Service crews have long observed heavy clear water flows in the separated sewer mains within Basin 55 which is served by Sump 55. Clear water in the sewer system is typically an indication of either infiltration or inflow (I&I). This high I&I requires additional power consumption at Sump 55 in order to pump the flows to the County interceptor and could lead to sanitary sewer overflows from the sewer system. This project is the next phase of an ongoing program to reduce I&I in Basin 55.

Only one (1) bid was received and opened by the City Clerk on June 23<sup>rd</sup>, 2010, and is summarized below:

<b>Contractor</b>	<b>Bid Amount</b>	<b>ESBE %</b>
Pacific Liners, Inc	\$1,170,900	31.7%

This bid significantly exceeded the Engineer's estimate of \$881,000, and there currently are insufficient funds available in the project budget to award the contract and complete the project. Staff plans to make several changes to the project scope which will increase the likelihood of receiving multiple bids that are closer to the engineer's estimate and then rebid the project.

**Attachment 3**

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**REJECT ALL BIDS FOR THE BASIN 55 I&I REDUCTION PROJECT  
(X14000800)**

**BACKGROUND**

- A. The Basin 55 I&I Reduction project was advertised for bidding and only one bid was received on June 23, 2010, from Pacific Liners, Inc.
- B. The bid received (\$1,170,900) exceeded the engineer's estimate (\$881,000) and the project budget.
- C. Rejecting this bid will allow the project to be rebid after changes are made to the project to increase the likelihood of receiving multiple bids and increase the likelihood of future bids coming in closer to the engineer's estimate.

**BASED ON THE FACTS SET FORTH IN THE STAFF REPORT AND ALL OTHER  
INFORMATION PRESENTED TO IT, THE CITY COUNCIL RESOLVES AS  
FOLLOWS:**

- Section 1. The bid received from Pacific Liners, Inc. for the Basin I&I Reduction Project is rejected.