



DEPARTMENT OF  
UTILITIES  
ENGINEERING SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

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July 30, 1996

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: EVERGREEN/S.P.R.R. DRAINAGE IMPROVEMENTS (PN: WC26): CONTRACT AWARD TO SPINELLA HEER CONSTRUCTION, INC., FOR AN AMOUNT NOT TO EXCEED \$78,115**

**LOCATION AND COUNCIL DISTRICT:**

The construction funded by this contract will affect the end of Evergreen Street near the Southern Pacific Railroad tracks (District 2).

**RECOMMENDATION:**

Staff recommends that the City Council accept the low bid of Spinella Heer Construction, Inc., in the amount of \$78,115 and award the contract.

**CONTACT PERSON:** Andy Hunt, Senior Engineer, 433-6620

**FOR COUNCIL MEETING OF:** August 13, 1996

**SUMMARY**

Bids were received and opened by the City Clerk on July 10, 1996. Spinella Heer Construction, Inc., was the second low bidder at \$78,115, but with the MBE/WBE credits their bid was lowered to \$72,646.75, which was lower than the apparent low bidder's (IAS construction) bid of \$75,152.

**COMMITTEE/COMMISSION ACTION**

None.



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## BACKGROUND INFORMATION

There is an existing brick arch culvert at this location which is deteriorating. This project replaces the existing culvert with a new Reinforced Concrete Pipe with other minor drainage improvements.

The bids received on June 19, 1996, were:

1.	IAS Construction	\$75,152.00
2.	Spinella Heer Construction, Inc.*	\$78,115.00
3.	Navajo Pipelines*	\$92,153.95

\* Bidders that meet MBE or WBE goals are indicated with an asterisk.

## ENVIRONMENTAL DETERMINATION

The Environmental Services Division has determined that this project is categorically exempt pursuant to Section Number 15269(b) of the California Environmental Quality Act.

## FINANCIAL CONSIDERATIONS

The total budget for the project (425-500-WC26-4820) is \$343,808, of which \$217,728 has been expended, leaving a balance of \$126,080 as of July 22, 1996. Based on the low bid of \$78,115, the total project cost is \$314,000 and the estimated required amount to complete this project is \$96,000. There are adequate funds to complete this project.

## POLICY CONSIDERATIONS

This action is in conformance with City Code Title 58, Chapter 58.03.304 which provides that the City Council may award competitively bid contracts to the lowest responsible bidder.

## MBE/WBE

This project included participation goals of 10.75% MBE and 9.5% WBE as required by Resolution 93-619, relating to MBE/WBE participation goals and policies, adopted by the City Council on November 2, 1993. Award of the project is contingent upon the responsive low bidder either meeting these project MBE/WBE participation goals or making documented good faith efforts towards meeting the project goals.

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Bids submitted which meet or exceed the MBE/WBE goals are eligible for a bid price preference up to a maximum of 7% or \$25,000, whichever is lower. Spinella Heer Construction, Inc., is a City certified WBE firm and is using a City certified MBE for 12.03% of their bid. As Spinella Heer exceeded the MBE/WBE goals, they were eligible for the full 7% preference, thus lowering their bid of \$78,115 to \$72,646.75, which makes them the low bidder. IAS Construction did not meet the MBE/WBE goals and was not eligible for any of the price preferences.

MBE/WBE participation by the bidders is as follows:

CONTRACTORS	BID AMOUNT	MBE		WBE		GOOD FAITH EFFORT DOCUMENTATION
		\$	%	\$	%	
IAS Construction	\$75,152.00	0.00	0.00	0.00	0.00	yes
Spinella Heer Construction, Inc.	\$78,115.00	9,394	12.03	48,125.00	61.61	no; met goals
Navajo Pipelines	\$92,235.98	10,176	11.03	60,250.98	65.32	no; met goals

Respectfully submitted,

*GAReents*

Gary A. Reents  
 Engineering Services Manager

RECOMMENDATION APPROVED:

*WHE*  
*William H. Edgar*  
 William H. Edgar  
 City Manager

APPROVED:

*GAReents for*

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 EXECUTE A CONTRACT WITH SPINELLA HEER CONSTRUCTION, INC., FOR THE EVERGREEN/S.P.R.R. DRAINAGE IMPROVEMENTS PROJECT (PN: WC26) FOR AN AMOUNT NOT TO EXCEED \$78,115

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 Evergreen/S.P.R.R. Drainage Improvements (PN: WC26) for an amount not to exceed \$78,115.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_

