



C094-033 (1.15)

DEPARTMENT OF
PUBLIC WORKS
ENGINEERING DIVISION

CITY OF SACRAMENTO
CALIFORNIA

May 18, 1994

927 TENTH STREET
ROOM 200
SACRAMENTO, CA
95814-2700

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CONSTRUCTION SECTION
640 BERGUT DRIVE
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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: EAST DEL PASO 6B, 6C - SHELDEN STREET RECONSTRUCTION
BETWEEN ROSALIND STREET AND LOS ROBLES BOULEVARD
(PN:TH76) - REJECT LOW BID AND CONTRACT AWARD AND FUND
TRANSFER OF \$69,000

LOCATION AND COUNCIL DISTRICT: Shelden Street between Rosalind Street and
Los Robles Boulevard
District No. 2

RECOMMENDATION:

This report recommends that the City Council:

- Reject the Non-responsive low bid of \$256,255 from Western Engineering.
- Accept the second low bid of \$286,932.90 and award the East Del Paso 6B, 6C - Shelden Street Reconstruction between Rosalind Street and Los Robles Boulevard to Azteca Construction.
- Adopt a Resolution approving a fund appropriation in the amount of \$69,000.

CONTACT PERSON:

N. Dee Lewis, Supervising Engineer, 264-7923

FOR COUNCIL MEETING OF:

June 8, 1994



City Council

East Del Paso 6B, 6C - Shelden Street Reconstruction Between Rosalind Street and Los Robles Boulevard (PN:TH76) - Contract Award and Fund Transfer
June 3, 1994

SUMMARY:

This project will construct street improvements on Shelden Street between Rosalind Street and Los Robles Boulevard. The improvements, which include construction of asphalt concrete pavement, curb, gutter, sidewalk, street lighting, installation of storm drain, sanitary sewer systems, and replacement of a water main, will provide neighborhood enhancement and revitalization and increased public safety. The MBE/WBE program goals included in the project promotes city-wide inclusiveness of our diverse population.

This report recommends that the City Council reject the low bid of \$256,255 from Western Engineering and accept the second low bid of \$286,932.90 from Azteca Construction and award the contract. The low bidder, Western Engineering, exceeded the project 10.57% MBE goal with 11.6% city certified MBE participation. Western Engineering did not, however, meet the project 9.5% WBE goal, achieving only 0.58% city certified WBE participation. The low bidder, Western Engineering, did not satisfy all the Good Faith Effort requirements specified in Title 58 of the City Code and was therefore determined not to be a responsive bidder. The second low bidder, Azteca Construction, exceeded the project goals with 56.8% MBE and 32.3% WBE participation.

Bids were received and opened on April 6, 1994, contract award and fund transfer is recommended.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND INFORMATION:

This project will construct street improvements on Shelden Street between Rosalind Street and Los Robles Boulevard. The project improvements include construction of asphalt concrete pavement, curb, gutter, sidewalk, street lighting, installation of storm drain, sanitary sewer systems, and replacement of a water main.

Phase 1 of this project was recently completed and provided street improvements in the same neighborhood and street frontage improvements along the new Kinney Police Facility. The current project phase will complete the street improvements planned for this neighborhood.

On March 8, 1994, the City Council approved the plans and specifications for the East Del Paso 6B, 6C - Shelden Street Reconstruction between Rosalind Street and Los

City Council

**East Del Paso 6B, 6C - Shelden Street Reconstruction Between Rosalind Street and Los Robles Boulevard (PN:TH76) - Contract Award and Fund Transfer
May 31, 1994**

Robles Boulevard project. Bids were received and opened by the City Clerk on April 6, 1994. The bids received were:

Western Engineering	\$256,255.00
*Azteca Construction	\$286,932.90
Robert Gimmell Construction	\$290,271.20
Teichert Construction	\$291,357.90
R.C. Collet Inc.	\$299,480.00
J. Bird and Sons	\$318,275.00

* Denotes MBE Firm

The estimated project completion date is August 31, 1994.

FINANCIAL CONSIDERATIONS:

The engineer's estimated construction cost was \$272,000.00.

The current total estimated project costs for both the completed phase 1 project and the current project, including planning, design estimated construction inspection, contract administration, surveying, and material testing costs is \$672,413.00. Funding will be provided for phase II as shown below:

<u>Item</u>	<u>Fund</u>	<u>Amount</u>	<u>Balance as of</u> <u>5/13/94</u>
Current Budget: CDBG Measure A	205	\$419,000	
Maintenance 93 Debt Series A	207	\$ 41,000	
	705	<u>\$108,413</u>	
	Total	\$568,413	\$251,547
Proposed Additional Funds:			
Miscellaneous Sewer Improvements Program (PN:XB16)	414	\$49,000	\$177,000
Community Development Block Grant (CDBG) funds from the Sacramento Housing Redevelopment Agency (SHRA)			
	205	<u>\$20,000</u>	N/A
Subtotal		\$637,413	

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East Del Paso 6B, 6C - Shelden Street Reconstruction Between Rosalind Street and Los Robles Boulevard (PN:TH76) - Contract Award and Fund Transfer

May 31, 1994

<u>Item</u>	<u>Fund</u>	<u>Amount</u>
Community Development Block Grant (CDBG) funds from the Sacramento Housing Redevelopment Agency (SHRA) (Additional appropriation scheduled for July, 1994)	205	35,000
	Total	672,413

Sacramento Housing and Redevelopment Agency has approved an additional \$55,000 for this project from the Community Development Block Grant Fund (205). The Sacramento Housing and Redevelopment Agency has agreed (Attachment B) to appropriate \$55,000 for this project upon Council action to award the contract. SHRA will make an administrative transfer of \$20,000 into the project immediately. An additional \$35,000 will be transferred to the project in July 1994, after appropriate approval is obtained from the Redevelopment Commission and City Council. Sufficient funds are currently available in the project fund to award the contract to the second low bidder and encumber the contract amount of \$286,932.90.

POLICY CONSIDERATIONS:

The subject project promotes City Council priorities regarding neighborhood revitalization and enhancement and public safety.

This action is consistent with Title 58, Chapter 58.03.304 of the City Code concerning award of contract and Resolution No. 93-619 relating to MBE/WBE participation goals and policies adopted by the City Council on November 2, 1993.

MBE/WBE:

This project included MBE/WBE participation goals of 10.57% MBE and 9.5% WBE as required by Resolution No. 93-619 relating to MBE/WBE participation goals and policies adopted by the City Council on November 2, 1993. Award of contract is contingent upon the responsive low bidder either meeting the project MBE/WBE participation goals or making adequate Good Faith Efforts towards meeting the project goals. Bids which meet or exceed the MBE/WBE goals may be eligible for bid price preferences up to a maximum of 7% or \$25,000, whichever is lower.

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East Del Paso 6B, 6C - Shelden Street Reconstruction Between Rosalind Street and Los Robles Boulevard (PN:TH76) - Contract Award and Fund Transfer

May 31, 1994

There were 19 planholders for this project, two of which were MBEs and one was a WBE. Six bids were received for the project. One bid was received from a MBE firm. No WBE firms submitted bids.

The low bidder, Western Engineering did not achieve the MBE/WBE goals for this project. The City of Sacramento requires that MBE/WBE firms listed towards meeting participation goals in bids for Public Works construction projects, must be City of Sacramento certified, prior to bid opening. Western Engineering listed three MBE/WBE firms in their bid, two of which are City Certified construction contractors and one is a Caltrans certified trucking firm. The Caltrans certified trucking firm listed in the bid cannot be used towards meeting the project MBE/WBE participation goals, according to current City MBE/WBE program policy. The Caltrans certified trucking firm was listed for \$53,300 in trucking and materials. Upon investigation city staff determined that the listed trucking firm was to provide \$18,933 in trucking services, and \$33,958 in materials (asphaltic base and asphaltic concrete). The listed trucking firm, however, is not a material supplier and is obtaining these materials from a non-MBE/WBE material supplier. Therefore, the low bidder cannot receive MBE/WBE participation credit for the materials obtained through the trucking firm. Furthermore the listed Caltrans certified trucking firm is not providing trucking services with their own trucks but rather had intended to act as a trucking broker using a non-MBE/WBE roster of trucks. Credit for City certified MBE/WBE trucking brokers using a non-certified roster of trucks is limited to 20% of the amount for trucking. The matrix below describes the MBE/WBE Subcontractor/Trucking participation achieved by the low bidder.

FIRM LISTED IN BID	CITY CERTIFIED	CALTRANS CERTIFIED	MBE	WBE	AMOUNT CREDITED
Nor-Cal Concrete	Yes	Yes	Yes	No	\$29,837 (11.6% MBE)
Construction Area Signs	Yes	Yes	Yes (Hisp)	Yes	\$1,500 (0.58% WBE)
Bertolini Trucking	No	Yes	No	Yes	\$18,933 x 20% \$3,787 (1.5% WBE)**

** Note: No credit is given for this participation (1.5% WBE) because listed firm must be City MBE/WBE certified prior to bid opening to be counted towards meeting participation goals, according to current City Policy.

The low bidder submitted documentation of Good Faith Effort but did not satisfy all

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**East Del Paso 6B, 6C - Shelden Street Reconstruction Between Rosalind Street and Los Robles Boulevard (PN:TH76) - Contract Award and Fund Transfer
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the requirements related to Good Faith Effort required by Title 58 of the City Code. The attached table summarizes the Good Faith Effort made by the low bidder. Additionally, the Good Faith Effort documentation submitted by Western Engineering is included as an attachment to this report.

Staff recommends that the low bid be rejected and award of contract be made to the second low bidder Azteca Construction, a City Certified MBE firm. Azteca Construction exceeded the project MBE/WBE goals with 56.8% MBE (City Certified) and 32.3% WBE (City Certified) participation. The City's Office of Minority, Women and Small Business (OMWSB) has reviewed this matter and concurs with these recommendations. The City Attorneys office has reviewed this report. Western Engineering has indicated they will protest, before the City council, staff's recommendations to reject the low bid.

The table below lists the City Certified MBE/WBE participation achieved by the bidders as identified in their bids:

Project goals:

MBE 10.5%

WBE 9.5%

Contractor	M/WBE Status	Bid Amount	MBE		WBE		Good Faith Effort Documentation Submitted
			\$	%	\$	%	
Western Engineering	No	\$256,255.00	29,837	11.6	\$1,500	0.58	Yes
Azteca Construction	MBE	\$286,932.90	163,052	56.8	\$92,731	32.3	Not Required
Robert Gimmel Construction	No	\$290,271.20	Ø	Ø	\$5,236	1.8	Not Required
Teichert Construction	No	\$291,357.90	36,400	12.5	1,500	0.5	Not Required
R.C. Collet, Inc.	No	\$299,480.00	51,979	17.4	129,586	43.3	Not Required
J. Bird and Sons	No	\$318,275.00	55,535	17.4	32,236	10.1	Not Required

Plans and specifications were sent to seven (7) plan rooms and construction services organizations for publication and use by the construction industry of Northern California. There are four (4) organizations on the distribution list that are directly involved with outreach to MBE/WBE contractors.

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Other MBE/WBE outreach efforts for this project included:

- Advertisement of the project on the City of Sacramento Construction Project Bid Line (916) 392-4758.
- Free access to review the project plans and specifications at the City of Sacramento Planroom at Engineering Division offices at 927 10th Street.
- Provided notice of this project to three minority chambers of commerce and three minority and women community organizations directly involved with outreach to MBE/WBEs.

Respectfully Submitted:




TERENCE W. MOORE
Engineering Division Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager

APPROVED:



MICHAEL KASHIWAGI
Deputy Director of Public Works

FB:dt
EA8-05.1
05.0694.1

Attachment

**GOOD FAITH EFFORTS MADE BY LOW BIDDER
WESTERN ENGINEERING
ON EAST DEL PASO HEIGHTS 6B, 6C SHELDEN STREET RECONSTRUCTION
BETWEEN ROSALIND STREET AND LOS ROBLES BOULEVARD (PN:TH76)**

#	Good Faith Efforts Required per City Code Title 58, Chapter 58.08.803	Low Bidders Actions	
		Y/N	Description
1	Attend pre bid meeting scheduled for this project	N	Prebid meeting - March 21, 1994
2	Identify work items to be performed by MBE/WBES	Y	Trucking, Traffic control, Concrete, Electrical, Fencing, Asphalt and Aggregate Materials.
3	Advertise solicitation of subbids from MBE/WBES	Y	Sacramento Builder's Exchange Weekly Bulletin on 3/25/94 and Weekly Reporter on 3/28/94.
4	Send written solicitation for subbids to MBE/WBES	Y	36 fax solicitations made. 13 of 36 fax solicitations were sent to City certified MBE/WBES.
5	Follow up written solicitations with direct contact	Y	Log submitted indicating follow-up was made to 21 firms solicited by fax, 4 of which were City certified MBE/WBES.
6	Provide interested MBE/WBES with information about plans and specifications	Y	Access to plans and specifications offered in written solicitations.
7	Request assistance for identifying available MBE/WBES from organizations directly involved with outreach to M/WBES	Y	10 organizations contacted for assistance.
8	Negotiate in good faith with MBE/WBES and not unjustifiably reject subbids from MBE/WBES	Y	Received 3 quotes from MBE/WBE firms. Listed all 3 MBE/WBE firms from which quotes were received. One MBE Firm submitted a quote \$4,687 higher than lowest quote received for concrete work, but was not rejected and, was listed in order to achieve the MBE goals.
9	Assist MBE/WBES in obtaining bonds, credit, or insurance	Y	Offered to pay up to 1.5% of cost for payment and performance bonds of MBE/WBES.
10	Bidder's efforts could reasonably be expected to produce a level of participation sufficient to meet goals	N	The low bidder did not take all Good Faith Effort actions required in the bid specifications. *

* The bidder did not attend the March 21, 1994, mandatory prebid meeting scheduled for this project. The bidder listed documentation in his Good Faith Effort submittal that Western Engineering attended two City of Sacramento pre-bid conferences prior to the March 21, 1994 conference scheduled for this project.

