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DEPARTMENT OF
PUBLIC WORKS

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CALIFORNIA

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April 3, 2000

City Council
Sacramento, California

Honorable Members In Session:

SUBJECT: CURB RAMP IMPROVEMENTS PROJECT (PN:RG76) – RESOLUTION REJECTING ALL BIDS, SUSPENDING COMPETITIVE BIDDING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH VANGUARD CONSTRUCTION FOR AN AMOUNT NOT TO EXCEED \$886,958.

LOCATION AND COUNCIL DISTRICT:

Various locations in Council Districts 1, 3, 4, 5, 6, 7, 8 (see attached list).

RECOMMENDATION:

This report recommends that the City Council approve the attached resolution:

- Rejecting all bids;
- Suspending competitive bidding with a two-thirds vote; and
- Authorizing the City Manager to execute a construction contract with Vanguard Construction for an amount not to exceed \$886,958.

CONTACT PERSON: Cecilyn Foote, Project Manager, 264-6843

FOR COUNCIL MEETING OF: April 18, 2000

SUMMARY:

This project consists of constructing curb ramps at the corners of streets that are to be

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overlaid this summer as part of the City's annual overlay program. Bids for construction of the project were received and opened on March 1, 2000. Vanguard Construction was the apparent low bidder at \$765,718. However, an error of \$121,240 was made in the calculation of their bid. For the reasons provided below, staff recommends that a contract be executed with Vanguard Construction

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- Curb ramps must be constructed prior to the overlay, which is scheduled to begin construction in June.
- This project was advertised and bids were received on March 1, 2000 and are summarized below:

$$\begin{array}{r}
 765,718 \\
 121,240 \\
 \hline
 886,958
 \end{array}$$

Contractor	Bid Amount	ESBE Participation Goal
Vanguard Construction	\$765,718	20.24%
Arcadian Enterprises	\$984,884	100.00%
Biondi Paving, Inc.	\$1,074,620	100.00%
Allied-West Construction Co.	\$1,093,248	88.11%
George Bianchi Construction Co.	\$1,144,532	0.00%
C & C Construction	\$1,161,979	82.79%
Sposeto Engineering, Inc.	\$1,164,174	99.15%
Robert J. Riolo	\$1,209,091	96.87%
Nor-Cal Concrete, Inc.	\$1,227,943	88.69%
Teichert Construction	\$1,333,142	14.37%

On March 3, 2000, the low bidder, Vanguard Construction (Vanguard), notified the City that it made an error in calculating its bid that resulted in the inadvertent omission of \$121,240 from its bid. Based on information presented at a March 23, 2000, hearing on Vanguard's request for relief, City staff believes that this omission was an inadvertent error that was not discovered by Vanguard until after the bids were opened. Under the applicable provisions of the City Charter and City Code, the City Council may take one of the following actions on its matter:

1. Award the contract to Vanguard at its bid price of \$765,718.
2. Grant Vanguard relief from its claimed bid error by releasing it from its bid, then award the contract to the second lowest bidder.
3. Reject all bids and then re-bid the contract.
4. Reject all bids received for the contract, then vote to suspend competitive bidding in the best interest of the City (which requires a 2/3 vote), then authorize the City Manager to execute a contract with Vanguard for an amount not to exceed \$886,958 (the amount of Vanguard's bid plus the amount inadvertently omitted from its bid). This amount is less than the City's construction cost estimate of \$894,720.

Staff recommends against the first three options. The first option is not recommended because staff believes that Vanguard has adequately demonstrated that its claimed bid error was an inadvertent mistake and was not discovered until after the bids were opened, so that it would be unfair to require it to perform at its bid price.

Option 2 is not recommended as being in the City's best interest because the second lowest bid of \$984,883.60 is almost \$100,000 higher than the amount that Vanguard is able to perform the contract for (\$886,958), and also is approximately 10% higher than the City's construction cost estimate for the project. Awarding the contract at this higher amount would cause the total project costs to exceed the amount of the March 31, 2000, unobligated balance of Gas Tax Fund 201, which is funding the project.

Option 3 is not recommended because it would delay award of the contract, and this contract needs to be awarded now so that curb ramp construction can be performed in conjunction with the City's annual street overlay work to be performed this summer.

Option 4 (reject all bids, suspend competitive bidding, and authorize execution of contract with Vanguard) will allow this work to proceed on schedule and at the lowest possible cost, which is also below the City construction cost estimate and will allow the project to be completed within currently available funding. For these reasons, Option 4 is recommended as the course of action that is in the best interest of the city. All bidders were notified of this intended recommendation by telecopy on March 31, 2000.

FINANCIAL CONSIDERATIONS:

- The estimated total project cost, including all planning, design and construction, and construction engineering costs is \$1,388,607.
- The budget for the Curb Ramp Improvements Project is \$1,500,000.

- The unobligated Gas Tax Fund 201 balance as of March 31, 2000, is \$1,483,771, which is sufficient for award.

ENVIRONMENTAL CONSIDERATIONS:

The Planning Services Division, Environmental Section, has reviewed the proposed project and has determined that this project is exempt from the California Environmental Quality Act (CEQA) under Section Number 15301(c) of the CEQA Guidelines.

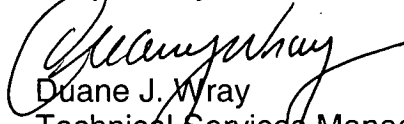
POLICY CONSIDERATIONS:

This action is in conformance with Sacramento City Code, Section 58.03.304 and 58.04.401, which provides that City Council may reject all bids and suspend competitive bidding in the best interest of the City.


ESBD CONSIDERATIONS:

To encourage small and emerging business participation, plans and specifications were sent to 8 plan rooms and construction service organizations for publication. All are directly involved with ESBE construction firms. Staff actively recruited available ESBE firms to participate in the bid process. Project notices were sent to 30 organizations involved in ESBE recruitment. The project was also announced on the Project Information Line and on the City's Internet site at www.sacto.org/bids.

Respectfully submitted,



Duane J. Wray
Technical Services Manager

RECOMMENDATION APPROVED:


ROBERT P. THOMAS
City Manager

P/Active/RG76 Curb Ramp Imp Project/Council/Contract Vanguard Construction

APPROVED:


Michael Kashwagi
Director of Public Works

RESOLUTION NO. 2007-154

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF 4-18-08

**CURB RAMP IMPROVEMENTS PROJECT (PN:RG76) – RESOLUTION
REJECTING ALL BIDS, SUSPENDING COMPETITIVE BIDDING AND
AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSTRUCTION
CONTRACT WITH VANGUARD CONSTRUCTION FOR AN
AMOUNT NOT TO EXCEED \$886,958**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. All bids are rejected for the Curb Ramp Developments Project (PN:RG76).
2. In the best interest of the City, competitive bidding is suspended for this project.
3. The City Manager is hereby authorized to execute a contract for an amount not to exceed \$886,958.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____