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*Passed*

DEPARTMENT OF  
PUBLIC WORKS  
  
ENGINEERING DIVISION

CITY OF SACRAMENTO  
CALIFORNIA  
August 20, 1993

927 TENTH STREET  
ROOM 200  
SACRAMENTO, CA  
95814-2700

PH 916-264-7120  
FAX 916-264-7903

CONSTRUCTION SECTION  
640 BERGUT DRIVE  
SUITE B  
SACRAMENTO, CA  
95814-0131

PH 916-264-5282  
FAX 916-264-7376

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: EAST DEL PASO HEIGHTS NO. 9 (PN:TH81) - CONTRACT AWARD**

**LOCATION AND COUNCIL DISTRICT:** Ivy Street, Kern Street, Lily Street,  
Mahogany Street, Natoma Way and North  
Avenue  
District No. 2

**RECOMMENDATION:**

This report recommends that the City Council accept the low bid of \$190,501.00, and award the contract for the East Del Paso Heights No. 9 project to Kochoo Construction Co., Inc.

**CONTACT PERSON:** N. Dee Lewis, Supervising Engineer, 264-5512

**FOR COUNCIL MEETING OF:** August 31, 1993

**SUMMARY:**

This project will provide needed street frontage and drainage improvements for the project area. This project is funded with Federal Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) funds administered through the Sacramento Housing and Redevelopment Agency (SHRA).

This project has been advertised for bids. Bids have been received and contract award is recommended.

**COMMITTEE/COMMISSION ACTION:**

None.



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**BACKGROUND INFORMATION:**

This project will provide needed street frontage and drainage improvements for this project area. Specific improvements include curb, gutter and sidewalks on portions of Ivy Street, Kern Street, Lily Street, Mahogany Street and Natoma Way. Storm drain lines will be constructed on Lily Street, Mahogany Street, and North Avenue. This project is funded with Federal Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) funds administered through the Sacramento Housing and Redevelopment Agency (SHRA).

A Categorical Exemption for the East Del Paso Heights No. 9 project (PN:TH81) was filed with the County Recorder of the County of Sacramento on February 10, 1992.

On June 29, 1993, the City Council approved the plans and specifications for the East Del Paso Heights No. 9 project. Bids were received and opened by the City Clerk on July 21, 1993. The bids received were:

Kochoo Construction Co., Inc	\$190,501.00
Stan Gilbert Construction, Inc.	\$228,383.00
Teichert Construction	\$237,007.90
Granite Construction Co.	\$263,456.00

Note: There were no MBE or WBE bidders.

The estimated project completion date is October 29, 1993.

**FINANCIAL CONSIDERATIONS:**

The engineer's estimated construction cost was \$182,171.

The estimated total project cost, including all planning, design and construction costs, is \$263,000. Funding for the project is provided as listed below:

<u>Item</u>	<u>Fund</u>	<u>Amount</u>
Current Budget	CDBG (205)	\$388,000
	Total	\$388,000
Less estimated total project cost		<u>\$263,000</u>
	Funds Available for Contingencies	\$125,000

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Surplus funds from this project have been earmarked for the East Del Paso Heights #6C project (PN:TH76) which is scheduled for bid advertisement in the spring of 1994. As of August 4, 1993 the East Del Paso Heights No. 9 project (PN:TH81) had a balance of \$354,983 from the Community Development Block Grant Fund (205).

**POLICY CONSIDERATIONS:**

This action is consistent with Chapter 58, Article III, Section 58.304 of the City Code concerning award of contracts and Resolution 93-149 relating to MBE/WBE participation goals and policies adopted by the City Council on March 30, 1993.

**MBE/WBE:**

There were seven (7) planholders for this project, none of which were MBE or WBE's. Four (4) bids were received for the project.

This project is funded with Federal Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) funds administered through the Sacramento Housing and Redevelopment Agency (SHRA). The project includes participation goals of 10.57% MBE and 9.5% WBE as required by Resolution No. 93-149 relating to MBE/WBE participation goals and policies, adopted by the City Council on March 30, 1993. Award of contract is contingent upon the responsive low bidder either meeting the project MBE/WBE participation goals or making good faith efforts towards meeting the goals.

The MBE/WBE participation achieved by all bidders as listed in their bids is shown on the following table:

Contractor	M/WBE Status	Bid Amount	MBE		WBE		Good Faith Effort Documentation Submitted
			\$	%	\$	%	
Kochoo Const.	No	\$190,501.00	\$ 6,750	3.5%	\$ 8,545	4.5%	Yes
Stan Gilbert, Inc.	No	\$228,383.00	\$19,400	8.5%	\$ 8,544	3.7%	Yes
Teichert Const.	No	\$237,007.90	\$29,615	12.5%	\$18,644	7.9%	No
Granite Const.	No	\$263,456.00	0	0	0	0	Yes

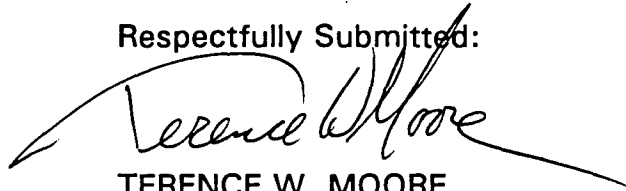
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City Code Chapter 58, Section 58.08.803 lists ten Good Faith Effort actions towards meeting the project MBE/WBE participation goals the bidder is required to take in an effort to meet the MBE/WBE goals and to be considered a responsive bidder. The attached table (Table A) lists the Good Faith Effort requirements of City Code Chapter 58 and summarizes the efforts made by the low bidder, Kochoo Construction Company. Good Faith Effort submitted by Kochoo Construction Company was verified by staff.

The policy of the City of Sacramento's Office of Minority, Women and Small Business requires bidders on City construction projects to take all Good Faith Effort actions listed in Title 58, Chapter 58.08.803 of the City Code in order to be declared a responsive bidder. The low bidder Kochoo Construction purchased the bid specifications for this project after the deadline for advertising solicitations for subbids from MBE/WBE and after the date the prebid conference for the project was held. Kochoo Construction took all other Good Faith Effort actions required by Title 58.08.803 of the City Code. Furthermore, prior to bid opening, Kochoo Construction sought technical assistance from City staff to obtain information regarding the City's Good Faith Effort requirements and to identify MBE/WBE firms to contact to solicit subbid quotes for this project. Staff therefore recommends that the City Council accept the low bid of Kochoo Construction and award the contract.

Plans and specifications will be 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.

Respectfully Submitted:



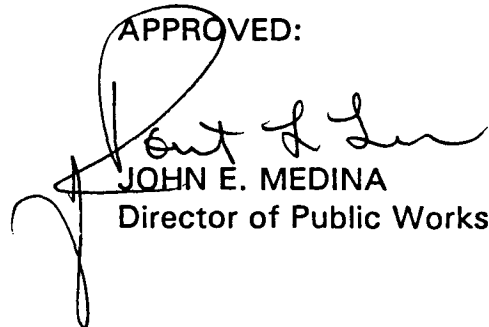
TERENCE W. MOORE  
Engineering Division Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR  
City Manager

APPROVED:



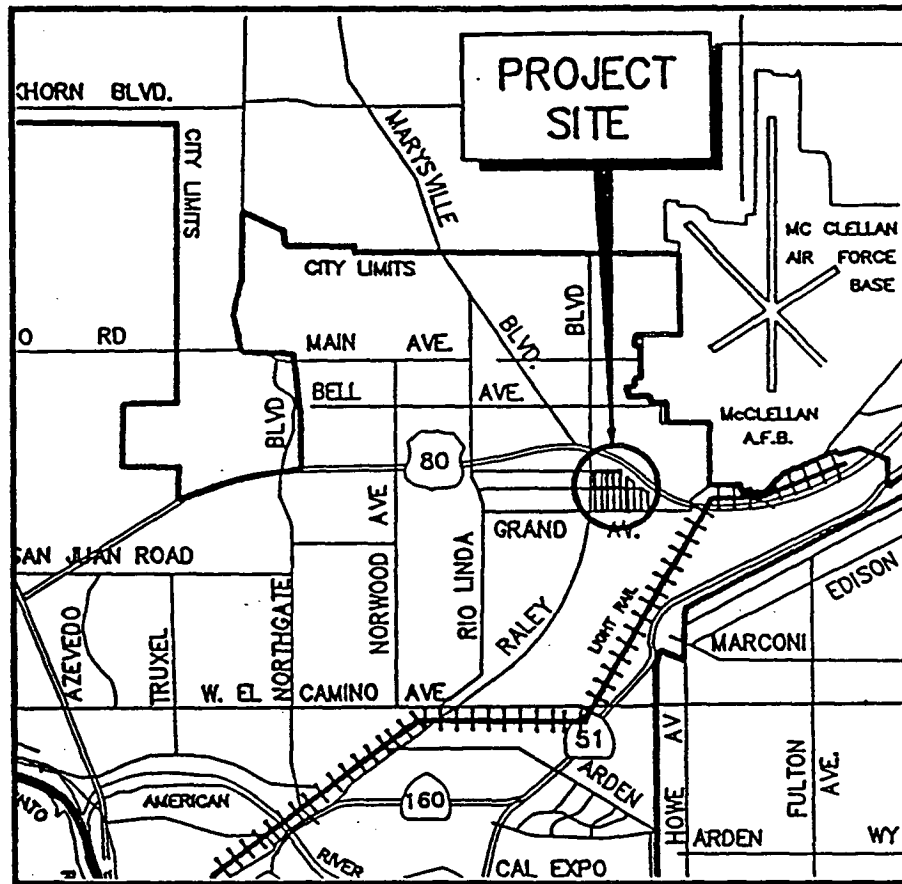
JOHN E. MEDINA  
Director of Public Works

FB:jd:ehh  
EA1-21.F  
08.0693.2

Attachment

**GOOD FAITH EFFORTS MADE BY LOW BIDDER  
KOCHOO CONSTRUCTION COMPANY  
ON EAST DEL PASO HEIGHTS NO. 9 (PN:TH81)**

#	Good Faith Efforts Required per City Code Chapter 58, Section 58.603	Low Bidders Actions	
		Y/N	Description
1	Attend pre bid meeting	N	Prebid meeting - 7/8/93
2	Identify work items to be performed by M/WBEs	Y	Solicited subbids for fencing, trucking, concrete and clearing and grubbing.
3	Advertise solicitation of subbids from M/WBEs	N	Bidder purchased plans and specifications on 7/13/93, 8 days before bid opening.
4	Send written solicitation for subbids to M/WBEs	Y	3 written solicitations to M/WBEs made. Also made 17 phone contacts soliciting MBE/WBE subbid quotes.
5	Follow up written solicitations with direct contact	Y	All written solicitations followed up.
6	Provide interested M/WBEs with information about plans and specifications	Y	Access to plans and specifications offered in written solicitations.
7	Request assistance for identifying available M/WBEs from organizations directly involved with outreach to M/WBEs	Y	Four organizations contacted: Caltrans, Sacramento Housing and Redevelopment Agency, City of Sacramento, The Alliance.
8	Negotiate in good faith with M/WBEs and not unjustifiably reject subbids from M/WBEs	Y	Received subbid quotes from 2 WBEs and 1 MBE. Used low quote of MBE and one WBE. The other WBE submitted an incomplete subbid quote. Listed 4 subcontractors with bid. One MBE, one WBE and two non-MBE/WBEs.
9	Assist M/WBEs in obtaining bonds, credit, or insurance	Y	Did not require payment and performance bonds from MBE/WBEs.
10	Bidder's efforts could reasonably be expected to produce a level of participation sufficient to meet goals	Y	



**LOCATION MAP**  
**EAST DEL PASO HEIGHTS No. 9**  
**PN: TH81**

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