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DEPARTMENT OF
UTILITIES

ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5770 FREEPORT BLVD.
SUITE 100
SACRAMENTO, CA
95822-2911

September 12, 1996

PH 916-433-6318
FAX 916-433-6652

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: C/D ALLEY SEWER 13TH - 16TH STREET (PN: XM07): TRANSFER FUNDS AND AWARD CONTRACT TO SIERRA NATIONAL CONSTRUCTION, INC., FOR AN AMOUNT NOT TO EXCEED \$216,699.

LOCATION AND COUNCIL DISTRICT:

This project is located in the C/D Alley between 13th and 16th Streets (District 1).

RECOMMENDATION:

Staff recommends that the City Council approve the attached resolution to transfer appropriations and accept the low bid from Sierra National Construction, Inc., for an amount not to exceed \$216,699 and award the contract.

CONTACT PERSON: Andrew A. Hunt, Senior Engineer, 433-6620

FOR COUNCIL MEETING OF: September 24, 1996

SUMMARY

Bids were received and opened by the City Clerk on July 31, 1996. Sierra National Construction, Inc. was the low bidder at \$216,699.



City Council
September 11, 1996
C/D Alley Sewer 13th - 16th Street (PN: XM07)

COMMITTEE/COMMISSION ACTION

None.

BACKGROUND INFORMATION

The C/D Alley Sewer Replacement 13th Street to 16th Street was initiated because of the deteriorating conditions of the sewer mains. The existing main in the C/D alley has numerous misaligned and deteriorating joints, root intrusion, and very little slope. This project replaces deteriorated combination sewer and storm drainage mains, manholes, services, and drain inlets. The new mains and drain inlets will be larger, to help alleviate minor flooding.

The bids received on July 31, 1996 were:

| | <u>CONTRACTOR</u> | <u>TOTAL BID AMOUNT</u> |
|----|------------------------------------|-------------------------|
| 1. | Sierra National Construction, Inc. | \$216,699.00 |
| 2. | Navajo Pipelines | \$253,617.00* |
| 3. | JJM Engineering Construction | \$286,871.00 |
| 4. | Environmental Construction | \$293,321.00* |
| 5. | Daniel Ontiveros Construction | \$293,923.00* |
| 6. | Mark Guiton & Assoc. | \$298,160.00 |

Note: MBE/WBE contractors are indicated with (*)

Sierra National Construction, Inc.'s bid was eligible for a price preference of 2% for meeting the goals for MBE participation. The next lowest bidder Navajo Pipelines was eligible for a price preference of 7% for being a City-certified and preference-eligible WBE and meeting the MBE goals. Applying the price preferences, Sierra National Construction, Inc. remains the low bidder.

Navajo Pipelines protested the bid submitted by Sierra National Construction, Inc. on the basis that Sierra National Construction, Inc. listed Ariza Construction as a subcontractor for "Paving/Concrete/Supervision". Navajo Pipelines Inc. questioned if this was in violation of Section 2-9 of the City's Standard Specifications. The Department of Utilities staff and the City Attorneys Office reviewed the protest along with Sierra National Construction, Inc.'s response and has determined that Sierra National Construction, Inc.'s utilization of Ariza Construction in this manner does not violate Section 2-9, as the "immediate superintendence" of the work will still be performed by a Sierra National Construction, Inc. employee. Accordingly, staff recommends that the bid protest submitted by Navajo Pipelines be denied. Navajo Pipelines' bid protest and Sierra National Construction, Inc.'s response are attached.

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The engineer's estimated construction cost was \$314,220. The estimated project completion date is January 24, 1997. The original project was proposed for a single block but was expanded to include the blocks east and west because the Field Services Sewer Superintendent identified these sewer mains as deteriorating and in need of enlargement and replacement.

ENVIRONMENTAL DETERMINATION

The Planning Services Division has determined that this project is categorically exempt pursuant to Section Number 15302(c) of the California Environmental Quality Act. The proposed project consists of replacement of existing structures and facilities and will have substantially the same capacity and purpose as the structure replaced.

FINANCIAL CONSIDERATIONS

The revised total estimated project cost, including all project administration, design, construction, inspection, and related costs is \$276,000. As of September 11, 1996 the C/D Alley Sewer 13th - 16th Street (PN: XM07) has an unobligated balance of \$80,543. Staff recommends that \$179,000 be transferred from the Combined Sewer System Reserve (XD42) to the C/D Alley Sewer 13th - 16th Street (PN: XM07) by adoption of the attached resolution. Since this project is on a segment of the combined system, it will be funded 75% from drainage funds and 25% from sewer funds. Funds will be transferred from the Combined System Reserves as follows: \$134,250 from 425-500-XD42-4820 and \$44,750 from 414-500-XD42-4820, which have unobligated balances of \$8,531,882 and \$1,360,096, respectively, as of September 11, 1996.

POLICY CONSIDERATIONS

This action is consistent with Chapter 58, Article III, Section 58.03.304 of the City Code, which provides that the City Council may award competitively bid contracts to the lowest responsible bidder or reject all bids.

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 submitted which met or exceeded the MBE/WBE goals are eligible for bid price preference up to a maximum of 7% or \$25,000, whichever is lower.

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One of the three (3) bidders was either a MBE or a WBE firm. The low bidder, Sierra National Construction, Inc., will be using one MBE amounting to \$23,750 (10.96%) of the contract, and no WBE subcontractors. Staff has confirmed the one minority owned business enterprise Sierra National Construction, Inc. listed with their bid as City certified. Sierra National Construction, Inc. met the City's M/WBE Good Faith Effort requirement.

Respectfully submitted,



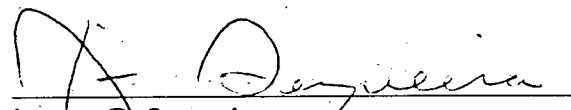
Gary A. Reents
Engineering Services Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

APPROVED:



James G. Sequeira
Director of Utilities

August 15th, 1996

Renee Graves
City of Sacramento
5770 Freeport Blvd., Suite 100
Sacramento, California 95822

Re: C/D ALLEY SEWER REPLACEMENT
13TH STREET TO 16TH STREET

Dear Ms Graves,

This letter is in protest to the submitted bid proposal of Sierra National Construction, Inc. on the above referenced project. On page 4 which is titled Designation of Subcontractors and MBE/WBE Subcontractor Participation, Ariza Construction was listed for Paving/Concrete/Supervision. The listing of Supervision is in direct violation of the City of Sacramento Standard Specifications 2-9, paragraph 3 which states:

"Contractor shall perform with his own organization and with the assistance of workers under his immediate superintendence, work of a value not less than fifty percent (50%) of the value of all work in the Contract. The value of any work subcontracted shall be determined by multiplying the number of units subcontracted of any item as determined from the Engineer's Estimate by the unit price. If any portion of an item of the work is subcontracted, City shall consider the entire item to be subcontracted. If any item is a specialty item, the foregoing may be waived in the discretion of the Engineer."

I interpret the above to mean that a subcontractor, by definition, is not in compliance with the first sentence of the above. Supervision on a job would be performed with the contractor's own forces.

Awaiting your reply,



Karen Silva

NAVAJO PIPELINES

989 Piedmont Drive, Sacramento, CA 95822-1701

916-448-0134

Lic. #655660

3. The City Manager and City Clerk are authorized to sign and execute a contract with Sierra National Construction, Inc. for the C/D Alley Sewer 13th - 16th Street (PN: XM07) in an amount not to exceed \$216,699.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____ -6- _____

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SIERRA NATIONAL CONSTRUCTION
GENERAL ENGINEERING AND BUILDING CONTRACTORS

2705 Sierra View Trail • Carmichael, CA 95608 • (916) 481-6792 • Fax (916) 482-2207 • Lic. No. 464549



August 22, 1996

City of Sacramento
Department of Utilities
5770 Freeport Blvd
Sacramento, CA 95822
Attn: Michelle Separovich

Re: C/D Alley Sewer Replacement Project (PN: XM07)
Bid Protest

Dear Ms Separovich:

I am in receipt of Navajo Pipelines bid protest on the above referenced project. It appears that Navajo's protest is based on their belief that Sierra National Construction (SNC) is subcontracting out all the on-supervision of this project.

The on-site superintendence of this project, like all SNC's City utility projects, will be performed by Peter Reagan. Mr. Reagan has over thirty years of experience in water and sewer projects.

Marc Ariza will be the Project Manager for this project. He will be responsible for the processing of submittals, change orders, progress payments and related paperwork. This will be performed in a part-time bases along with his other sub-contracted responsibilities.

SNC has utilitized Mr. Ariza on numerous City projects over the last ten years under this same arrangement.

Should you need additional information please call.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kip Skidmore', written over a horizontal line.

Kip Skidmore
President

nvptest

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY CLERK TO TRANSFER FUNDS AND EXECUTE A CONTRACT WITH SIERRA NATIONAL CONSTRUCTION, INC., FOR THE C/D ALLEY SEWER 13TH - 16TH STREET (PN: XM07) FOR AN AMOUNT NOT TO EXCEED OF \$216,699.

WHEREAS, the City of Sacramento has determined the need for the C/D Alley Sewer 13th - 16th Street (PN: XM07) (hereinafter called the "Project"), and has conditionally included the Project in the City of Sacramento Capital Improvement Program, and

WHEREAS, the City of Sacramento has conducted an initial study to determine if the Project may have a significant effect on the environment, and

WHEREAS, the Initial Study concludes that the project is to replace existing structures and facilities and is therefore categorically exempt from environmental documentation, and

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The City Council hereby approves the transfer of funds as follows:

From:

| | | |
|-------------------------------|-------------------|-------------|
| Combined Sewer System Reserve | 414-500-XD42-4820 | (\$44,750) |
| Combined Sewer System Reserve | 425-500-XD42-4820 | (\$134,250) |

To:

| | | |
|------------------------------------|-------------------|-----------|
| C/D Alley Sewer 13th - 16th Street | 414-500-XM07-4820 | \$44,750 |
| C/D Alley Sewer 13th - 16th Street | 425-500-XM07-4820 | \$134,250 |

2. The City Council hereby approves the implementation of the C/D Alley Sewer 13th - 16th Street Project (PN:XM07).

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____