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DEVELOPMENT SERVICES
DEPARTMENT
DEVELOPMENT,
ENGINEERING AND FINANCE
DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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SACRAMENTO, CA
95814-2998

June 21, 2005

SUBJECT: EL CENTRO ROAD AND ARENA BOULEVARD TRAFFIC SIGNAL APPROVAL OF PLANS AND SPECIFICATIONS, CREATION OF A CAPITAL IMPROVEMENT PROJECT, APPROPRIATION OF FUNDS, SUSPENSION OF COMPETITIVE BIDDING, APPROVAL OF PURCHASE AGREEMENT WITH NATOMAS GATEWAY LLC AND AWARD OF CONTRACT TO PACIFIC EXCAVATION (TWO-THIRDS VOTE REQUIRED)

LOCATION AND COUNCIL DISTRICT: Intersection of El Centro Road and Arena Boulevard, Council District 1

RECOMMENDATION:

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

- Approving the Plans and Specifications;
- Authorizing the creation of a Capital Improvement Project (PN:SK66);
- Appropriating \$154,913 in support of the project;
- Suspending competitive bidding;
- Approving a purchase agreement with Natomas Gateway LLC for design and associated costs in the amount of \$12,500 and
- Awarding a contract to Jim Paxin's Pacific Excavating for construction of the signal in the amount of \$137,413.

CONTACT PERSON: Ed Williams, Manager, Development, Engineering and Finance, 808-5440)

FOR COUNCIL MEETING OF: June 21, 2005



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SUMMARY:

The installation of a signal at the intersection of El Centro Road and Arena Boulevard is needed at this time. Natomas Gateway has bid this signal and another one that is integral to their nearby project on Arena Boulevard (Market West). The developer would normally construct both signals. The developer and the City, however, have been unable to reach agreement on the off-site signal. Approval of this recommendation would allow the City to contract directly with the low bidder and compensate Natomas Gateway for directly related expenses for design, permitting, inspections and testing. Approval would allow the construction of this signal immediately. The signal is a part of the North Natomas Financing Plan and is paid by the plan.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

The installation of a signal at the intersection of El Centro Road and Arena Boulevard is needed at this time. The signal is specified by the North Natomas Financing Plan and is paid for by the Plan in the form of credits issued for developer-built improvements or in the form of cash for City-built and contracted improvements.

In an effort to program this project as a developer-built improvement, Natomas Gateway advertised and received three bids for construction. Natomas Gateway also incurred expenses for design and permitting. Natomas Gateway and the City have not, however, been able to come to terms acceptable to both parties that would allow Natomas Gateway to proceed with construction. Staff therefore recommends that it is in the best interest of the City to contract directly with the lowest bidder and reimburse Natomas Gateway for expenses.

Construction of the Signal

Natomas Gateway advertised and received three bids for construction of two signals, one at Stemmler Drive and Arena Boulevard (the entrance to Market West), the other at Arena Boulevard and El Centro Road:

Pacific Excavation	\$255,363
Richard A. Heaps	\$264,341
M & M Electric	\$275,195

A breakout analysis by Sunseri Associates shows that the signal at the intersection of Arena Boulevard and El Centro Road accounts for \$137,413 of Pacific Excavation's low bid.

Because Natomas Gateway's bidding was not done under City control or in accordance with City procedures, the City must re-bid the project unless the City Council suspends competitive bidding in accordance with section 3.60.170 of the Sacramento City Code: "The restrictions and provisions of [Chapter 3.60] requiring the award of contracts by competitive bidding shall not apply . . . [w]hen, upon a two-thirds vote of the city council, it is determined that it is in the best interests of the city to suspend competitive bidding for any contract." Based on the following facts, staff believes that the best interests of the city will be served by suspending competitive bidding for the installation of a traffic signal at the intersection of Arena Boulevard and El Centro Road and awarding the contract to Pacific Excavation:

1. *Public Safety.* The surrounding area has been developing rapidly. As a result, vehicular traffic at the intersection of Arena Boulevard and El Centro Road has increased dramatically and will continue to do so. With the increase in traffic, an increase in vehicular accidents is inevitable. Indeed, since January 2001 there have been 6 accidents at the intersection, 4 accidents within 200 feet of the intersection, and 2 in the general vicinity. Of these accidents, 2 involved overturned vehicles, 2 were broadside collisions, 2 were head-on collisions, and 2 were rear-end collisions. Accordingly, public safety requires that a traffic signal be installed at the intersection as soon as possible. If bidding is suspended, then staff believes that the signal can be in operation by late September or early October 2005. If, however, the city is required to re-bid the work competitively, then the signal will not be in operation until January 2006 at the earliest. That, of course, is well into the fog-and-rain season, when safety concerns are greatest and construction delays likely.
2. *Other City Requirements.* Natomas Gateway's low bidder, Pacific Excavation, will comply with all other City's requirements, such as those concerning payment of prevailing wages. It will also comply with the City's Small and Emerging Business Programs.
3. *Availability of Materials.* Pacific Excavation already has the necessary materials on hold at a fixed price. Were the project rebid and awarded to another contractor, the lead time for acquiring materials may be unacceptably long, and the City may pay more for them.

Purchase of Plans & Specifications

Natomas Gateway incurred costs for design and permitting for both signals. A reimbursement for one-half of the \$23,000 design cost for both signals is recommended. Staff therefore recommends the execution of a purchase agreement in the amount of \$12,500 with Natomas Gateway to buy the design. This design, including all plans and specifications, has been reviewed and approved by City staff.

The last item of expenditure is \$5,000 for City staff costs for inspection. This brings the total requested to \$154,913.

FINANCIAL CONSIDERATIONS:

There is no impact to the General Fund. The signal at El Centro and Arena is included in the North Natomas Financing Plan ("NNFP") and is paid by the Plan.

The transaction associated with this request is a transfer of \$154,913 from the fund balance of the NNFP (780-710-7012-4999) to the new project, El Centro/Arena Traffic Signal (780-500-SK66-4820).

ENVIRONMENTAL CONSIDERATIONS:

The Environmental Services Manager has determined the proposed project is exempt from environmental review pursuant to Section 15301(c) of the CEQA Guidelines.

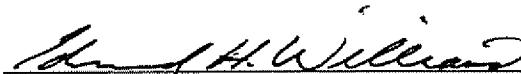
POLICY CONSIDERATIONS:

Approval is consistent with the City's Strategic Plan goals to enhance and preserve the neighborhoods and improve and diversify the transportation system.

ESBD CONSIDERATIONS:

Tim Paxin's Pacific Excavation is a certified SBE firm.

Respectfully submitted and approved:



Edward Williams
Manager, Development, Engineering and
Finance

RECOMMENDATION APPROVED:



ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF: _____

A RESOLUTION FOR THE CONSTRUCTION OF THE EL CENTRO ROAD AND ARENA BOULEVARD TRAFFIC SIGNAL; APPROVAL OF PLANS AND SPECIFICATIONS; CREATION OF A CAPITAL IMPROVEMENT PROJECT; APPROPRIATION OF FUNDS; SUSPENSION OF COMPETITIVE BIDDING; APPROVAL OF PURCHASE AGREEMENT WITH NATOMAS GATEWAY LLC AND AWARD OF CONTRACT TO JIM PAXIN'S PACIFIC EXCAVATION

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

WHEREAS,

- A. The El Centro Road Traffic Signal ("Signal") is needed at this point in time.
- B. The Signal is a designated improvement of the North Natomas Financing Plan ("Plan") and is funded by the Plan.
- C. Pursuant to the Plan, the Signal can be constructed by a developer and paid with fee credits or be constructed by the City through contracts and paid with cash.
- D. In an effort to have the Signal built by a developer, Natomas Gateway contracted for design, incurred related expenses and issued and received bids for construction.
- E. The City and Natomas Gateway have been unable to reach an agreement that would allow Natomas Gateway to proceed with construction.
- F. The low bid received by Natomas Gateway was from Tim Paxin's Pacific Excavation in the amount of \$137,413.
- G. Costs incurred by Natomas Gateway total \$12,500.
- H. The bidding procedure was not under supervision of the City, requiring a suspension of competitive bidding as provided for in SCC 3.60.170 through a two-thirds vote of the City Council and a determination that it is in the best interests of the city to suspend competitive bidding.
- I. The City needs to purchase the design from Natomas Gateway and reimburse Natomas Gateway for appropriate and related expenses. This design, including all plans and specifications, has been reviewed and approved by City staff.

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

1. City Council hereby finds that the recitals set forth above are true and correct and are incorporated herein by reference as findings.
2. The City Council determines that it is in the City's best interests to suspend competitive bidding for installation of a traffic signal at the intersection of Arena Boulevard and El Centro Road, based on the recitals set forth above, the report submitted by staff, and the following findings of fact:
 - a. Natomas Gateway, a developer in the vicinity of the intersection, was originally going to install the signal. To this end, Natomas Gateway solicited bids for the signal at this intersection plus a second signal at another intersection. Pacific Excavation submitted the lowest bid for the two signals: \$255,363. Of this amount, \$137,413 is attributable to the signal at Arena Boulevard and El Centro Road.
 - b. The City and Natomas Gateway have been unable to agree on the terms of an agreement by which the City would reimburse Natomas Gateway for the signals.
 - c. Because the area surrounding the intersection has been developing rapidly, vehicular traffic at the intersection has increased dramatically and will continue to do so. With the increase in traffic, an increase in vehicular accidents is inevitable. Accordingly, public safety requires that a traffic signal be installed at the intersection as soon as possible.
 - d. If the City is required to rebid the work competitively, then the signal will not be in operation until January 2006 at the earliest. That is well into the fog-and-rain season, when safety concerns are greatest and construction delays likely. If bidding is suspended, however, then the signal can be in operation by late September or early October 2005.
 - e. Pacific Excavation has the necessary materials for the signal on hold at a fixed price, can begin work immediately, and is willing to contract directly with the City for installation of the signal at the same price for which it was willing to install the signal for Natomas Gateway, \$137,413. In addition, Pacific Excavation is willing to comply with all of the City's requirements for public projects, such as those concerning payment of prevailing wages, as well as with the City's Small and Emerging Business Programs.
 - f. Were this project rebid and awarded to another contractor, the lead time for acquiring materials may be unacceptably long, given the need to install a signal as soon as possible. In addition, the cost of the materials may be higher.
3. The plans and specifications are hereby approved.
4. A contract for the construction of the traffic signal at the intersection of El Centro Road and Arena Boulevard is hereby awarded to Tim Paxin's Pacific Excavation in the amount of \$137,413.
5. The City Manager is hereby authorized to enter into a purchase contract with Natomas Gateway LLC. In the amount of \$12,500 for the purpose of acquiring the design for the signal and reimbursing Natomas Gateway for design and other appropriate and related expenses.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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6. A Capital Improvement Project is hereby established for the El Centro Road and Arena Boulevard Traffic Signal (PN:SK66).
7. The City Manager is hereby authorized to appropriate \$154,913 in support of the project, including \$5,000 in staff support costs, from North Natomas Development Fees fund balance (780-710-7012-4999) to the project (780-500-SK66-4820).

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

