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DEPARTMENT OF
UTILITIES
ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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SUITE 100
SACRAMENTO, CA
95822-2911

August 22 , 1995

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City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: NORTH SACRAMENTO WATER MAIN REPLACEMENT PROJECT,
PHASE 1 (PN:ZE41): TRANSFER OF FUNDS AND CONTRACT AWARD
TO SIERRA NATIONAL CONSTRUCTION, INC. FOR AN AMOUNT NOT
TO EXCEED \$560,930.**

LOCATION AND COUNCIL DISTRICT:

The project is located at various locations in the North Sacramento area, primarily in the vicinity north of Arden Way and East of Del Paso Boulevard. (District 2).

RECOMMENDATION:

Staff recommends that Council transfer funds and accept the low bid of Sierra National Construction, Inc. in the amount of \$560,930.

CONTACT PERSON: Candace A. McGahan, Senior Engineer, 433-6617

FOR COUNCIL MEETING OF: September 5, 1995

SUMMARY

On June 30, 1995, the Department of Utilities completed the plans and specifications for this project and advertised for bids. Bids were received and opened by the City Clerk on August 9, 1995. The low bidder was Sierra National Construction, Inc. with a total bid amount of \$560,930.

COMMITTEE/COMMISSION ACTION

None.



BACKGROUND INFORMATION

This project consists of replacing a total of approximately 10,000 feet of old, deteriorated, and undersized water mains and other substandard appurtenances at various locations in the developed areas of North Sacramento. These mains will be replaced by larger diameter mains to improve service and circulation within the distribution system.

Bids were received from five (5) contractors, as follows:

- Sierra National Construction, Inc..... \$560,930*
- Marv Yadon Construction..... \$610,837
- Lund Construction Company..... \$702,342
- RGW Construction, Inc..... \$725,090
- Spinella Heer Construction, Inc..... \$783,230 *

Note: Contractors who met MBE/WBE participation goals are indicated with an asterisk (*).

Two (2) of the bidders met the City's MBE/WBE participation goals. The second lowest bidder, Marv Yadon Construction, demonstrated a good faith effort with documentation.

ENVIRONMENTAL DETERMINATION

The Environmental Services Division has determined that this project is exempt pursuant to Section Number 15302(c) of the California Environmental Quality Act because it involves the replacement of existing utility facilities with no expansion of capacity.

FINANCIAL CONSIDERATIONS

The total estimated project cost, including all administration, design, construction, inspection, and contingency is \$782,860. The estimated cost to finish the project is \$684,335. The cost of this contract is \$560,930. The unobligated balance available for this project (413-500-ZE41) was \$616,205 as of August 15, 1995. Staff recommends transferring \$70,000 from the Water Fund Base CIP Reserve (413-500-ZE46-4414), which had an unobligated balance of \$390,000 as of August 16, 1995 to complete this project.

City Council
 August 22, 1995
 Award Contract (PN:ZE41)

POLICY CONSIDERATIONS

This action is consistent with Chapter 58, Article III, Section 58.304 of the City Code concerning advertisement for bidding requirements and Resolution Number 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 and WBE participation goals of 10.57% and 9.5% respectively, as required by Resolution 93-619 relating to M/WBE participation goals and policies, adopted by the City Council on November 2, 1993. Award of this contract is contingent upon the responsive low bidder either meeting the project MBE/WBE participation goals or making adequate Good Faith Efforts to meet the goals. The MBE/WBE participation achieved by the five bidders as identified in their bids, is listed in the following table:

Bidder	Amount of Bid	MBE		WBE		Good Faith Documentation
		\$	%	\$	%	
Sierra National Construction, Inc.	\$560,930	\$94,500	16.8%	\$54,118	9.6%	Not applicable
Marv Yadon Construction	\$610,837	\$0	0%	\$80,666	13.2%	Yes, met requirements
Lund Construction Company	\$702,342	\$149,290	21.3%	\$62,739	8.9%	Not submitted
RGW Construction, Inc.	\$725,090	\$77,000	10.6%	\$0	0%	Not submitted
Spinella Heer Construction, Inc.	\$783,230	\$92,274	11.8%	\$569,408	72.7%	Not applicable

Staff has determined that the low bidder, Sierra National Construction, Inc., has met the City's MBE/WBE participation goals. Staff recommends that the City Council accept the low bid of \$560,930 by Sierra National Construction, Inc. and award the contract. One (1) MBE subcontractor will be responsible for \$94,500 (16.8%) of the contract and one (1) subcontractor will be responsible for \$54,118 (9.6%) of the contract. Staff has confirmed that these subcontractors are City certified as minority or women owned businesses.

City Council
August 22, 1995
Award Contract (PN:ZE41)

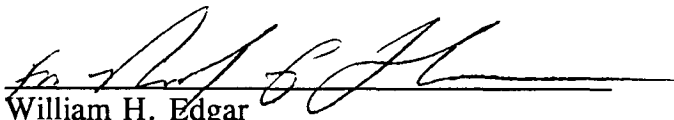
Currently, the Department of Utilities MBE/WBE participation is 13.24% MBE and 25.05% WBE respectively.

Respectfully submitted,



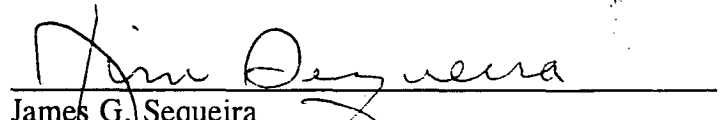
Gary A. Reents
Engineering Services Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

APPROVED:



James G. Sequeira
Director of Utilities

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER AND CITY CLERK TO SIGN AND EXECUTE A CONTRACT WITH SIERRA NATIONAL CONSTRUCTION, INC. FOR THE CONSTRUCTION OF NORTH SACRAMENTO WATER MAIN REPLACEMENT PROJECT, PHASE 1 (PN:ZE41) FOR AN AMOUNT NOT TO EXCEED \$560,930 AND AUTHORIZING THE TRANSFER OF APPROPRIATIONS.

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

1. Appropriations in the amount of \$70,000 are transferred to the North Sacramento Water Main Replacement Project, Phase 1 (413-500-ZE41-4820) from the Water Fund Base CIP Reserve (413-500-ZE46-4414).
2. That the City Manager and City Clerk are hereby authorized to sign and execute a contract with Sierra National Construction, Inc. for the construction of North Sacramento Water Main Replacement Project, Phase 1 (P.N.: ZE41) in an amount not to exceed \$560,930.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____