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DEPARTMENT OF
UTILITIES
ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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June 13, 1995

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: 42ND STREET DRAINAGE AREA IMPROVEMENT PROJECT (PN:XMO1) -
REJECT ALL BIDS**

LOCATION AND COUNCIL DISTRICT:

The project is located within the Combined Sewer System, in a 54 acre area bounded by 39th Street on the west, 42nd Street on the east, Highway 50 on the south and Folsom Boulevard on the North (District 3).

RECOMMENDATION:

Staff recommends the City Council reject all bids received for this project.

CONTACT PERSON: Gary A. Reents, Acting Engineering Services Manager, 433-6633

FOR COUNCIL MEETING OF: June 27, 1995

SUMMARY

On May 16, 1995, the City Council approved the plans and specifications for this project and authorized advertising for bids. Bids were received from three contractors and opened by the City Clerk on June 14, 1995. All bids received were over the projected project cost estimate, including contingencies. The project will be modified and changes made to decrease the overall project costs to allow it to be built more closely to the original projected costs.

COMMITTEE/COMMISSION ACTION

None.



City Council
June 13, 1995
Reject all Bids (PN: XM01)

BACKGROUND INFORMATION

The 42nd Street Drainage Area is located within the Combined Sewer System. During heavy rain storms, many residents living in this drainage area have experienced sewer outflows and have had floodwaters temporarily prevent access to their homes and actually enter their crawl-spaces, garages, basements, and living areas. Since the issuance of the Cease and Desist Order by the California Regional Water Quality Control Board in 1990, the City has identified the 42nd Street Drainage Area as one of the worst outflow and flooding areas within the City. The flooding is recurring and has caused the residents of this area undue inconveniences and property damage.

The 42nd Street Drainage Area Improvement Project involves the construction of a large concrete underground storage tank structure and pump station to drain the stored water. The underground tank structure will be installed along R Street between 40th and 42nd Streets.

On May 16, 1995, the City Council approved and plans and specifications for this project and authorized advertising for bids. Bids were received and opened by the City Clerk on June 14, 1995. Bids were received from three contractors, as follows:

T&S Construction	\$4,641,200*
Sierra National Construction	\$5,441,384
Homer J. Olsen Construction	\$5,592,800

* This contractor's bid is non-responsive as they did not attend a mandatory pre-bid meeting.

ENVIRONMENTAL DETERMINATION

In accordance with the State Guidelines for implementation of the California Environmental Quality Act (CEQA) of 1970, the Planning Services Division, Environmental Section has reviewed the proposed project. This review has resulted in the determination that the proposed project will not have a significant adverse impact on the environment and a Negative Declaration was prepared.

A Notice of Availability for public review and comment of the Negative Declaration was published in a local paper on April 3, 1995. The Notice of Availability was also sent to all of the property owners in the project area. The 30-day comment period has elapsed and no comments were received. On May 16, 1995, the City Council ratified the Negative Declaration and adopted the Mitigation Reporting Program.

City Council
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Reject all Bids (PN: XM01)

FINANCIAL CONSIDERATIONS:

The engineer's original estimate of the construction cost of the project was \$3.7 million. All bids received were well over the cost estimate, thus sufficient funds were not available to construct the project. Additionally, the low bid of \$4,641,200 cannot be accepted since the bidder did not attend any of the pre-bid meetings. This project was approved in the Sewer Fund and Storm Drainage Fund Capital Improvement Programs, (414/425-500-XM01-4820). As of June 19, 1995 the unobligated balance in this project is \$4,175,071.

POLICY CONSIDERATIONS

This action is consistent with Title 58 of the City Code concerning requirements for public projects and Resolution Number 93-619 relating to MBE/WBE participation goals and policies adopted by the City Council on November 2, 1993.

MBE/WBE

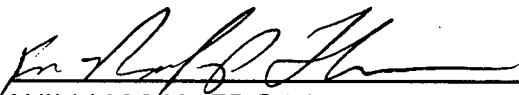
Plans and specifications were sent to seven (7) plan rooms and construction services organizations for publication and use by the construction industry of Northern California. There are four (4) organizations on the distribution list that are directly involved with MBE/WBE contractors.

Respectfully submitted,



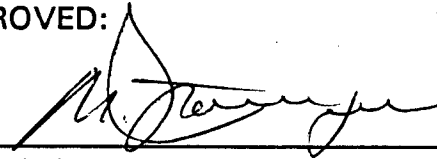
Gary A. Reents
Acting Engineering Services Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR
City Manager

APPROVED:



For 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 REJECT ALL BIDS RECEIVED FOR THE 42nd STREET DRAINAGE AREA IMPROVEMENT PROJECT (PN: XM01),

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

The City Manager and City Clerk are authorized to reject all bids for the 42nd Street Drainage Improvement Project (PN: XM01).

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

