



4.1

DEPARTMENT OF
UTILITIES

ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

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

May 19, 1998

APPROVED
BY THE CITY COUNCIL

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

JUN 4 1998

OFFICE OF THE
CITY CLERK

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: INTERIOR COATING AND CATHODIC PROTECTION SYSTEM FOR THE
MEDICAL CENTER, ALHAMBRA AND CITY COLLEGE RESERVOIRS (PN: ZF66,
ZB71) REJECTION OF BIDS**

LOCATION AND COUNCIL DISTRICT:

The project is located at the Medical Center, City College and Alhambra Reservoirs in Council Districts 3 and 5 (see location map).

RECOMMENDATION:

Staff recommends that the City Council reject all bids for the Interior Coating and Cathodic Protection System for the Medical Center, Alhambra and City College Reservoirs so staff can rebid the project.

CONTACT PERSON: Candace McGahan, Senior Engineer, 433-6617
Gary A. Reents, Engineering Services Manager, 433-6633

FOR COUNCIL MEETING OF: June 4, 1998

SUMMARY

Bids were received on March 4, 1998 from six contractors. The second low bidder filed a bid protest claiming an irregularity with the low bid. Due to the irregularity and the substantial difference between the low and second-low bids, staff recommends that City Council reject all bids so that the contract can be rebid.

City Council
May 19, 1998
Reject Bids (PN: ZF66, ZB71)

COMMITTEE/COMMISSION ACTION

None.

BACKGROUND INFORMATION

The City has three concrete elevated reservoirs that are a part of the water distribution system. These reservoirs were built in the 1930s and are at the following locations:

- Alhambra Reservoir - Alhambra Boulevard and J Street
- Medical Center Reservoir - 45th and V Streets
- City College Reservoir - 23rd and 12th Streets

The reservoirs have an interior coating that was applied at the time of the original construction. The coating is in poor condition. This project would apply a new coating.

Bids were received from six contractors as shown below:

• Robinson-Prezioso, Inc.	\$ 687,200
• Sierra National	\$ 781,000
• Redwood Painting Co., Inc.	\$ 833,311
• River City Painting	\$ 876,543
• Hansen Painting	\$ 1,039,023
• AA1 Painting Services	\$ 1,202,225

The second low bidder, Sierra National Construction, filed a bid protest (See Exhibit A), claiming a subcontractor listed in Robison-Prezioso's bid did not have the proper license to perform the designated work. The low bidder, Robison-Prezioso, responded with a letter dated March 17, 1998, shown as Exhibit B. After a bid protest meeting was held with the City, Robison-Prezioso and Sierra National Construction, City staff notified both bidders (see Exhibit C), that due to the potential bid irregularity and the substantial difference between the low and second-low bids, City staff intended to recommend that City Council reject all bids so that the contract can be rebid.

FINANCIAL CONSIDERATIONS

This action will have no financial impact; however, funds are available in the Water Fund Capital Improvement Program (PN: ZB71, ZF66) for the project when it is rebid.

City Council
May 19, 1998
Reject Bids (PN: ZF66, ZB71)

ENVIRONMENTAL CONSIDERATIONS

The Environmental Services Division has determined that this project is categorically exempt pursuant to State Class 1 and 2 and Section Number 15302(c) of the California Environmental Quality Act.

POLICY CONSIDERATION

This action is consistent with Section 58.03.06 of the City Code.

MBEWBE

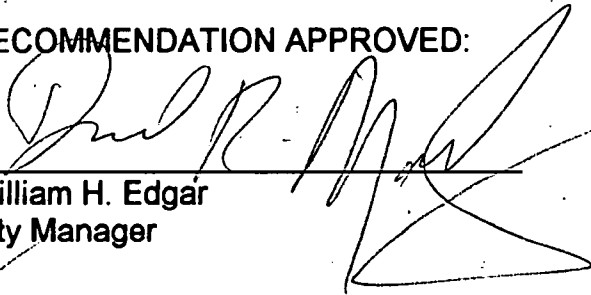
No goods or services are being purchased as the contract will be rebid.

Respectfully submitted,



Gary A. Reents
Engineering Services Manager

RECOMMENDATION APPROVED:



William H. Edgar
City Manager

APPROVED:



James G. Sequeira
Director of Utilities

GA R 100

**SIERRA NATIONAL CONSTRUCTION
GENERAL ENGINEERING AND BUILDING CONTRACTORS**

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

SNC
INCORPORATED

March 13, 1998

City of Sacramento
City Clerk
915 I Street, Room 304
Sacramento, CA 95814

Re: Bid Protest

Interior Coating and Cathodic Protection System for the Medical Center, Alhambra
and City College Reservoirs
(PN:ZF66/ ZB71) Bid date: March 4, 1998
Department of Utilities

Ladies/ Gentlemen:

Sierra National Construction, Inc. (SNC) hereby protests any intent by the City to award a contract on the above referenced project to the apparent low bidder, Robison/ Prezioso Co, Inc. This protest is based on the fact that Robison/ Prezioso listed Dial One Erfert Painting (Erfert) as performing "cathodic protection" and "painting" work on this project. Cathodic protection falls within the electrical specification (Division 16) and clearly requires a specialty license (C-10 Electrical).

Erfert is licensed by the California State License Board (CSLB) as a painting and decorating specialty contractor (C-33). As such, Erfert is prohibited from contracting outside its specialty area by Section 7117.6 of the CSLB Regulations which states that "Acting in the capacity of contractor in a classification other than that currently held by the licensee constitutes a cause for discipline."

Robison/ Prezioso cannot subcontract the cathodic protection to Erfert and must perform this work which has a value of \$50,000.00 (Exhibits A and B) with its own forces. This leaves Erfert with approximately \$19,000 in painting and reduces the value of Robison/ Prezioso's WBE subcontracted work from 10% to 2.8%. Without an acceptable Good Faith Effort Robison/ Prezioso cannot be considered for award under the terms and conditions of the bidding documents.

March 13, 1998

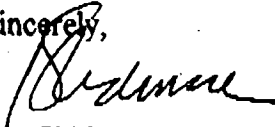
Re: Bid Protest

Page 2

It appears Robison/ Prezioso listed Erfert simply to meet the WBE goals without any regard to Erfert's license classification and placed Erfert in a position to be disciplined by the CSLB.

Should you need any additional information please call.

Sincerely,



Kip Skidmore
President

cc: Bill Zehnder, Dept. of Utilities
Dial One Erfert and Decorating



CONSTRUCTION

SUPPLY, INC.

GENERAL CONTRACTOR

GENERAL CONTRACTOR

CATHODIC PROTECTION

DESIGN & CONSTRUCTION

AMERICAN CONSTRUCTION AND SUPPLY, INC.

2000 W. JEFFERSON

FRUIT

95821

TEL: (916) 482-2207

FAX: (916) 482-2207

WWW.ACS-INC.COM

March 3, 1998

Attn: Bidding Estimator

Subject: **Proposal for Cathodic Protection Installation;
City of Sacramento; Medical Center, Alhambra, and City College
Reservoirs.**

Gentlemen,

In accordance with the plans and specifications, and the observations made during our attendance at the pre-bid conference, American Construction submits this proposal for the subject project.

Our services will include complete installation of the cathodic protection systems for three reservoirs, per all requirements of the plans and specifications.

As compensation for these services, we propose a total lump fee of \$49,567.00. Proposal is contingent upon the following terms and conditions.

1. Fee assumes that we can use your rolling scaffolding for 1 week after you complete your coating work inside each reservoir. Note page 7 of the specification states that the C.P. system installation shall not begin until the curing of the coating system has begun.
2. We will need a minimum of two weeks notice for each project mobilization. As timing is critical, additional advance notice is appreciated.
3. Fee assumes removal of internal components of the existing C.P. system by others, prior to our arrival. Figure an additional cost of \$2000 per tank for us to provide these services.
4. All required welding shall be by others. Note that welding will be minimal, and we will lay it out in advance with your foreman.
5. Fee is firm for duration of project, if accepted within 60 days.
6. Fee based on our standard terms of net 30 days from submission of monthly progress invoices, with a 1-1/2% monthly service charge assessed to all overdue accounts.
7. In the event this account is placed in the hands of an attorney for collection through legal proceedings or otherwise, client will pay attorney fees and court costs as allowed by applicable law.

We appreciate the opportunity to submit this proposal, and look forward to working with you on the project. If you have any questions, please feel free to contact our office.

Sincerely,
American Construction and Supply, Inc.

Steve McKim
Vice President

EXHIBIT B

Catholic Protection Services Company
2421 Lorio Street
Union, New Jersey 07083
(908) 688-1770
Fax: (908) 688-1704

March 3, 1998

To: Bidding Contractors

Quote for: City of Sacramento, CA
Department of Utilities
Medical Center, Alhambra, and City College Reservoirs

Supply and install Micro-Polatrol® internal cathodic protection systems using Vertical High Silicon Cast Iron anodes, per specifications or using Horizontal Platinum/Niobium anodes.

Tank Size and Name and location:
Three (3) ~3,000,000 gallon reservoirs

Others to bring A/C power to rectifier mounted on side of tank adjacent to ladder, install D/C run-conduit clips, and control unit mounting bracket. All paint touch-up and removal of existing cathodic protection systems by others. For the proposed Horizontal system, all welding (eyerings and entrance fitting) would be by others.

CPS standard terms apply. All shipping cost FOB, CPS factory (freight allowed). Submittals 3 weeks ARO, Delivery and installation 6-8 weeks after approved submittals.

**Price \$52,500 • Per spec :: \$45,000 -Horizontal
(Taxes included.) LUMP SUM**

Your Account Manager is Tim Delhagen, Phone (503) 649-5379 and Fax (503) 591-3267 6997 SW 172nd Ave. Aloha, Oregon 97007.

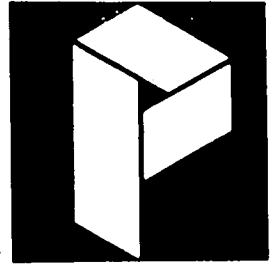
Cordially,

Michelle Kerilla
Michelle Kerilla
Sales



ROBISON-PREZIOSO, INC.

CALIFORNIA LICENSE 416957
3195 PARK ROAD, SUITE A & B
BENICIA, CALIFORNIA 94510
PHONE (707) 745-9528
FAX (707) 745-9652



painting • sandblasting • fireproofing • special coatings

March 17, 1998

Register No.: 281038.1286

City of Sacramento
Department of Utilities
Engineering Services
5770 Freeport Blvd., Suite 100
Sacramento, CA 95822

Attention: Bill Zehnder
Associate Civil Engineer

Subject: Interior Coating of 3 Reservoirs
PN: ZF66, ZB71
RPI Bid No.: 28-1038
WBE Utilization

Gentlemen:

We are in receipt of your letter dated March 16, 1998 and need a little clarification regarding the M/WBE participation. The Contract Specifications calls for a WBE bid participation of 9.5%. It does not state what percentage must be performed by the WBE nor does it say that it can't subcontract out part of their work.

Please show me where it states "The City's M/WBE Program requires the subcontractor's percent of work listed to reflect the actual work performed by the subcontractor", and that any work subcontracted by the M/WBE doesn't count toward their participation goal.

Dial One Erfert Painting submitted a price to Robison-Prezioso, Inc. for some of the painting and said they could cover the Cathodic Protection phase of the work also. In good faith I took this as a way to help meet the WBE goal. At this time I don't know if Dial One is subcontracting all of the Cathodic Protection or if they may be supplying some of the materials and equipment to their subcontractor (American Construction & Supply).

Please supply me with a clear and definite definition of what can be subcontracted to a M/WBE and that they can't subcontract any work and have it count as part of their's.

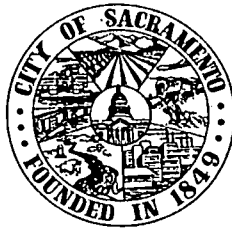
Please forward your response as soon as possible, to the undersigned at (707) 745-9528 or FAX (707) 745-9652.

Sincerely,

ROBISON-PREZIOSO, INC.

Ronald W. Robison





DEPARTMENT OF UTILITIES
ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5770-FREEPORT BLVD.
SUITE 100
SACRAMENTO, CA 95822

916-433-6318
FAX 916-433-6652 or 6653

May 12, 1998

Kip Skidmore
Sierra National Construction
2705 Sierra View Trail
Carmichael, CA. 95608

**RE: INTERIOR COATING AND CATHODIC PROTECTION OF THE MEDICAL
CENTER, CITY COLLEGE AND ALHAMBRA RESERVOIRS (PN: ZF66, ZB71)
- BID PROTEST**

I am writing to thank you for attending the bid protest meeting for the referenced project and to provide you with the City's response to the issues presented.

In summary, the bid protest submitted by Sierra National Construction contends that Robison/Prezioso (R/P) improperly listed Dial One Erfert (Dial) to "install Cathodic Protection System," because Dial's C-33 contractors license does not authorize performance of the cathodic protection work. At the bid protest meeting, R/P agreed that Dial does not possess the specialty license needed for the cathodic protection installation work and plans to subcontract the installation work to American Construction and Supply.

If Dial does not possess the requisite license for cathodic protection installation, then R/P's listing of Dial to perform this work should be disregarded. Under Public Contract Code §4106, if the prime contractor's bid fails to specify a subcontractor for any portion of work constituting over one-half of one percent of the total contract amount, this constitutes an agreement that the prime contractor will perform the work itself. In this instance, however, R/P does not possess the requisite license for the cathodic protection installation work.

Due to this potential bid irregularity, and the substantial difference between the low and

second-low bids, the Utilities Department will recommend that the City Council reject all bids so that the contract can be rebid.

The anticipated date for presenting this information to City Council is June 2, 1998. I will notify you of any schedule changes.

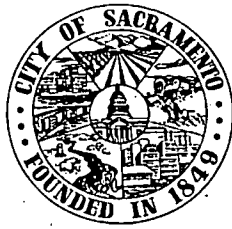
I appreciate your cooperation. If you have any questions please call me at (916) 433-6622.

Sincerely,



Bill Zehnder
Associate Civil Engineer

cc: Joe Robinson, Deputy City Attorney
Gary Reents, Division Manager
Candace McGahan, Senior Engineer



DEPARTMENT OF UTILITIES
ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA

5770-FREEPORT BLVD.
SUITE 100
SACRAMENTO, CA 95822

916-433-6318
FAX 916-433-6652 or 6653

May 12, 1998

Ron Robison
Robison-Prezioso, Inc.
3195 Park Road, Suite A&B
Benicia, CA. 95350

**RE: INTERIOR COATING AND CATHODIC PROTECTION OF THE MEDICAL
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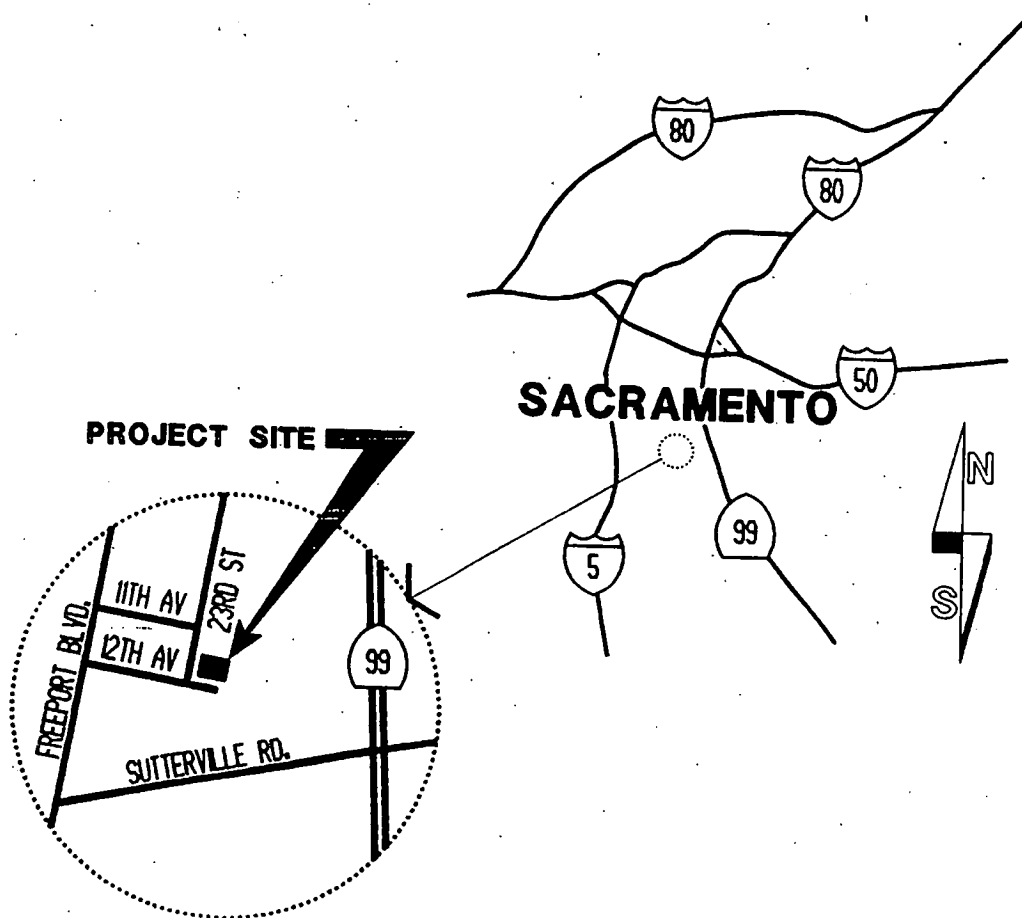
Sincerely,



Bill Zehnder
Associate Civil Engineer

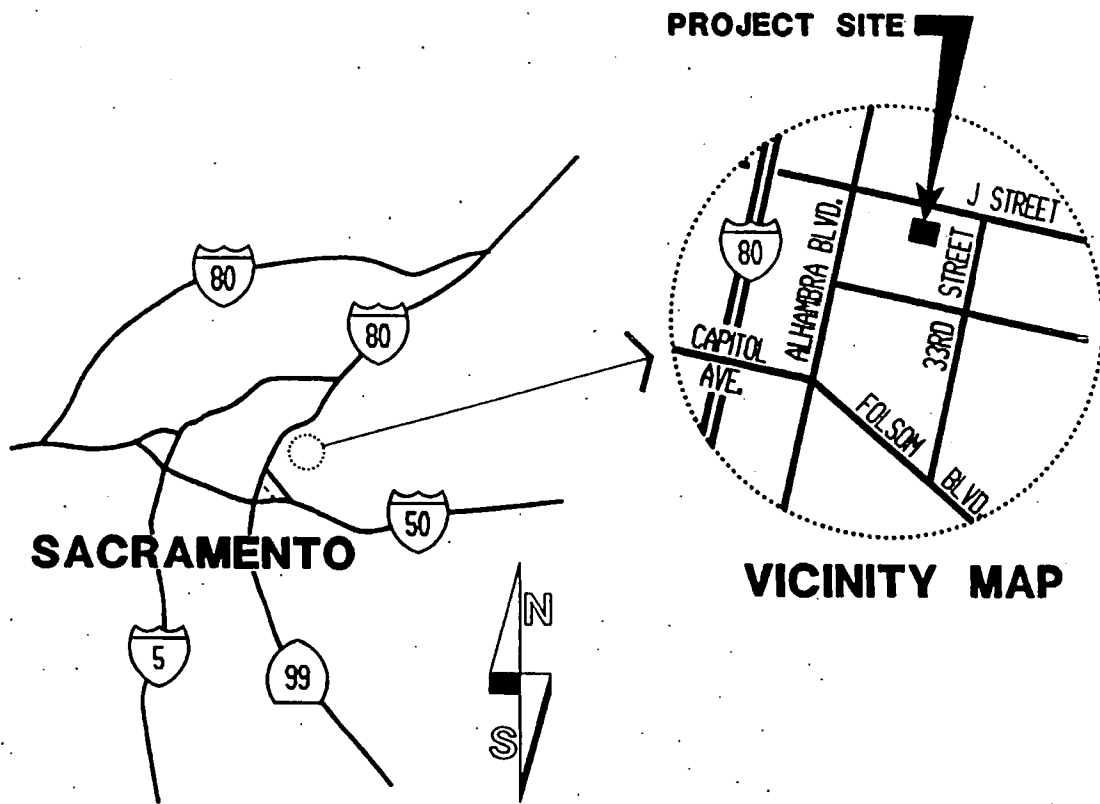
cc: Joe Robinson, Deputy City Attorney
Gary Reents, Division Manager
Candace McGahan, Senior Engineer

LOCATION MAP



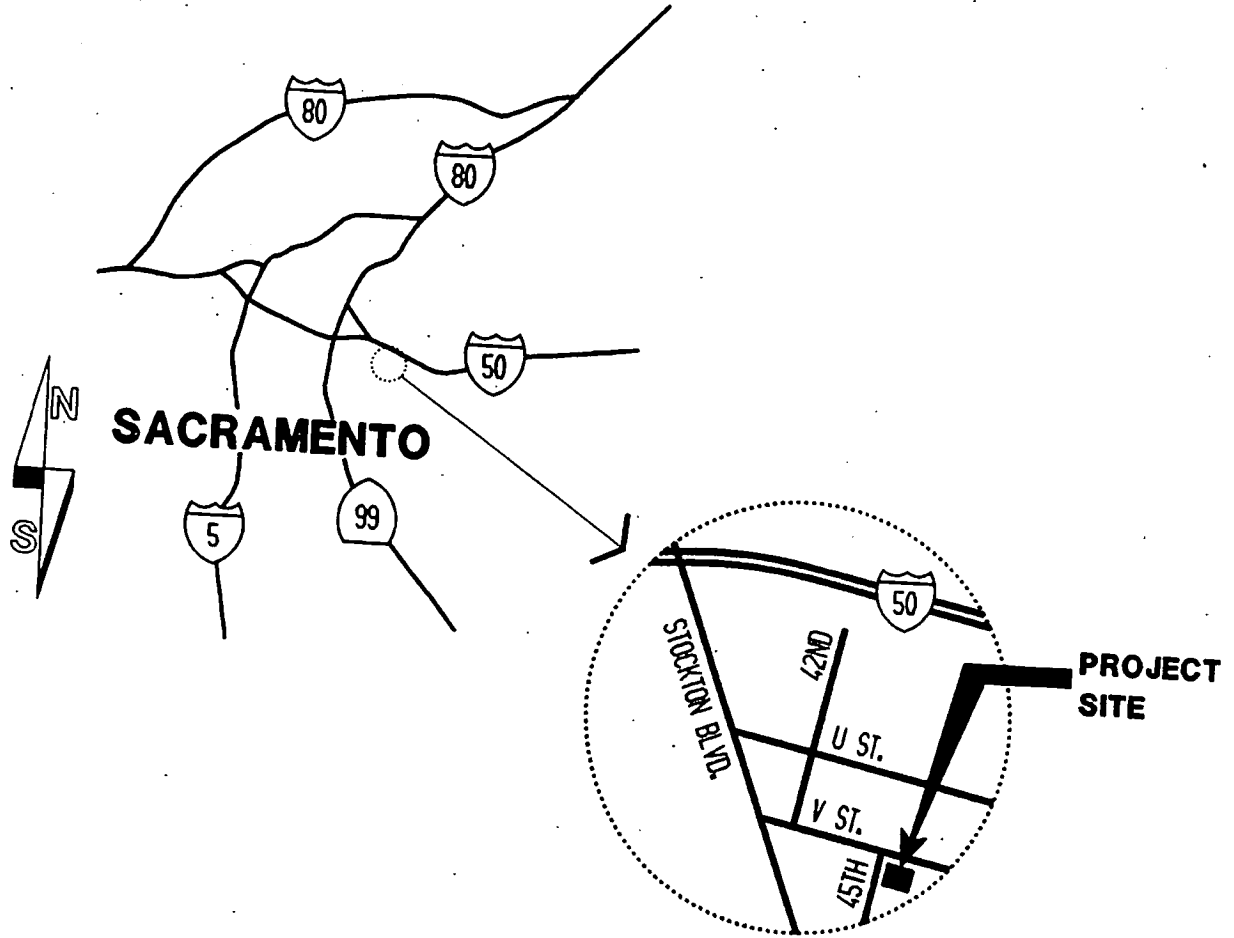
CITY COLLEGE RESERVOIR

LOCATION MAP



ALHAMBRA RESERVOIR

LOCATION MAP



MEDICAL CENTER RESERVOIR

APPROVED
BY THE CITY COUNCIL

RESOLUTION NO. 98-233

JUN 4 1998

ADOPTED BY THE SACRAMENTO CITY COUNCIL

OFFICE OF THE
CITY CLERK

ON DATE OF _____

**RESOLUTION TO REJECT ALL BIDS FOR INTERIOR COATING AND
CATHODIC PROTECTION SYSTEM FOR THE MEDICAL CENTER, ALHAMBRA
AND CITY COLLEGE RESERVOIRS PROJECT (PN: ZF66, ZB71)**

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

The City Council hereby rejects all bids for the Interior Coating and Cathodic Protection of the Medical Center, Alhambra and City College Reservoirs Project (PN: ZF66, ZB71).

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____