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DEPARTMENT OF  
UTILITIES  
  
ENGINEERING SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

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

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

June 14, 1994

*C694-035-*  
**APPROVED**  
BY THE CITY COUNCIL

JUN 28 1994

OFFICE OF THE  
CITY CLERK

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: 48TH STREET SEWER REPLACEMENT PROJECT (JN:3751): APPROVAL OF NEW CAPITAL IMPROVEMENT PROJECT, CONTRACT AWARD TO NAVAJO PIPELINES FOR AN AMOUNT NOT TO EXCEED \$78,818**

**LOCATION AND COUNCIL DISTRICT:**

This project is located in 48th Street between J Street and M Street (District 3).

**RECOMMENDATION:**

Staff recommends that the City Council amend the FY 93/94 Capital Improvement Program to create a new Capital Improvement Project, accept the bid of Navajo Pipelines in the amount of \$78,818, and award the contract.

**CONTACT PERSON:** Gary E. Gosse, Supervising Engineer, 433-6611

**FOR COUNCIL MEETING OF:** June 28, 1994

**SUMMARY**

On April 12, 1994, Council approved the plans and specifications for this project and authorized advertising for bids. Bids were received from five contractors and opened by the City Clerk on May 18, 1994. The apparent low bidder is Environmental Construction at \$77,866, and the apparent second low bidder is Navajo Pipelines at \$78,818. However, when bid preference for meeting MBE/WBE goals is incorporated, Navajo Pipelines is the low bidder at \$73,305. Staff recommends Council award the contract to Navajo Pipelines.

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June 14, 1994  
48th Street Sewer Replacement - Contract Award (JN:3751)

### COMMITTEE/COMMISSION ACTION

None.

### BACKGROUND INFORMATION

This project will replace approximately 828 feet of 8-inch and 101 feet of 6-inch sewer main which is broken in places, has tree root intrusion, and requires excessive maintenance.

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

CONTRACTOR	BID AMOUNT	ADJUSTED BID AMOUNT FOR MBE/WBE PRICE PREFERENCE
Environmental Construction	\$77,866	\$74,751
Navajo Pipelines	\$78,818*	\$73,305
Sierra National Construction, Inc.	\$89,040*	N/A
Richard Cox Construction, inc.	\$97,274	N/A
Spinella Herr	\$111,124	N/A

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

The engineer's estimate of construction cost was \$85,000. The estimated project completion date is September, 1994.

### ENVIRONMENTAL DETERMINATION

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.

### FINANCIAL CONSIDERATIONS

Sufficient funds are available for this project in the FY93/94 sewer fund. The engineer's estimate of the construction cost of the project is \$85,000. The total estimated project cost, including all design, inspection, and contingency is \$106,000. Staff recommends creating a new cip project titled "48th Street Sewer Replacement Project", funded by transferring \$106,000 from Base CIP Reserve (414-500-XE01-4414) to the new project. The current unobligated balance of XB16 as of June 13, 1994 is \$806,189.

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**POLICY CONSIDERATIONS**

This action is consistent with Chapter 58, Article III, Section 58.301 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**

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.

This project included MBE and WBE participation goals of 10.57% and 9.5% respectively, as required by Resolution 93-619 relating to MBE/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. Bids submitted which meet or exceed the MBE/WBE goals may be eligible for bid price preference up to a maximum of 7% or \$25,000, whichever is lower. The MBE/WBE participation achieved by the three low bidders as identified in their bids, is listed in the following table:

Bidder	Bid Amount	MBE		WBE		Good Faith Effort Documentation Submitted
		\$	(%)	\$	%	
Environmental Construction	\$77,866	\$75,919	97.5%	\$2,000	2.5%	Yes; GFE shows goals met (see discussion below)
Navajo Pipelines	\$78,818	\$17,940	22.8%	\$60,878	77.2%	No; met goals
Sierra National Construction, Inc.	\$89,040	\$11,000	12.4%	\$10,500	11.8%	No; met goals

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The low bidder, Environmental Construction, is a certified MBE but its bid did not meet the City's WBE participation goal. The second bidder is a certified WBE and met the City's MBE/WBE goals. The low bidder submitted Good Faith Effort documentation which added new WBE participation, thereby raising his MBE/WBE participation above the requisite goals. The subsequent information, presented after the bid opening and for the purpose of demonstrating Good Faith Effort, cannot be used to alter the content of the bid in order to achieve the goals. Therefore, the low bid is deemed as not meeting the goals, since the bid itself shows insufficient MBE/WBE participation.

The second bidder, Navajo Pipelines, is a certified WBE, and meet both the MBE and WBE goals, and therefore is entitled a price preference of 7%. The low bidder, Environmental Construction, is a certified MBE, and met the MBE goal and is entitled to a price preference of 4%. Therefore, for the purpose of award, Navajo Pipelines is the low bidder at \$73,305, and Environmental Construction is the second low bidder at \$74,751.

Staff recommends that the City Council accept the bid of \$78,818 and award the contract to Navajo Pipelines.

Respectfully submitted,




Gary A. Reents  
Acting Engineering Services Manager

RECOMMENDATION APPROVED:



William H. Edgar  
City Manager

APPROVED:



James G. Sequeira  
Director of Utilities



CITY OF SACRAMENTO  
RECEIVED  
  
JUN 3 1994  
  
OFFICE OF MINORITY WOMAN  
& SMALL BUSINESS

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

June 1, 1994  
940314:RB:rb

**MEMORANDUM**

TO: Aaron Chong, OMWSB Coordinator

FROM: Rick Batha, Associate Civil Engineer *Rick Batha*

SUBJECT: 48th Street Sewer Replacement -- MBE/WBE Participation (JN:3751)

Please confirm, with your signature below, that our analysis for bid responsiveness with respect to MBE/WBE requirements is acceptable to your office. Below is a summary of the three low bids received, showing MBE and WBE participation as stated in the bids:

Bidder	Bid Amount	MBE		WBE		Good Faith Effort (GFE) Documentation Submitted
		\$	(%)	\$	%	
Environmental Construction	\$77,866	\$75,919	97.5%	\$2,000	2.5%	Yes; GFE shows goals met but GFE incomplete (see discussion below)
Navajo Pipelines	\$78,818	\$17,940	22.8%	\$60,878	77.2%	No; met goals
Sierra National Construction, Inc.	\$89,040	\$11,000	12.4%	\$10,500	11.8%	No; met goals

The low bidder, Environmental Construction, is a certified MBE but his bid did not meet the City's MBE/WBE participation goals. The second bidder is a certified WBE and met the City's MBE/WBE goals. The low bidder submitted Good Faith Effort documentation which added new WBE participation, thereby raising his MBE/WBE participation above the requisite goals.

Staff recommends that the low bid be deemed as not meeting the goals, since the bid itself shows insufficient MBE/WBE participation. In the opinion of staff and the City Attorney's Office, the

Aaron Chong, OMWSB Coordinator  
48th Street Sewer Replacement (JN:3751)  
June 1, 1994  
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subsequent information, presented after the bid opening and for the purpose of demonstrating Good Faith Effort, cannot be used to alter the content of the bid in order to achieve the goals.

The second bidder, Navajo Pipelines, a certified WBE, did meet both the MBE and the WBE goals, and therefore is entitled a price preference of 7%. The apparent low bidder, a certified MBE, met the MBE goal and is entitled to a price preference of 4%. Therefore, the second bidder is given a preference of 3% over the low bidder. Since the second bidder's bid is 1.2% higher than the low bid, the net preference of 3% for MBE/WBE participation provides the second bidder with a 1.8% margin over the low bidder, regardless of responsiveness of the low bidder's Good Faith Effort. Staff therefore recommends award of the bid to the second bidder.

We have verified that all companies listed in the MBE/WBE participation lists in the bids (attached) were certified with the City per LGFS.

Please initial your confirmation below and return a copy via fax by Monday June 6, 1994 and by interoffice mail. If you have any questions please call me at 6625.



---

Aaron Chong

48chong

Enclosure

cc: Gary Gosse  
Andy Hunt

**RESOLUTION NO. 94-413**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

**APPROVED**  
BY THE CITY COUNCIL

ON DATE OF \_\_\_\_\_

**JUN 28 1994**

OFFICE OF THE  
CITY CLERK

RESOLUTION CREATING A NEW CAPITAL IMPROVEMENT PROJECT, AND AUTHORIZING THE CITY MANAGER AND CITY CLERK TO SIGN AND EXECUTE A CONTRACT WITH NAVAJO PIPELINES FOR THE 48TH STREET SEWER REPLACEMENT PROJECT (JN: 3751) IN AN AMOUNT NOT TO EXCEED \$78,818

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. The FY1993/94 Capital Improvement Program is hereby amended to add the project titled "48th Street Sewer Replacement".
2. Funds of \$106,000 are transferred to the "48th Street Sewer Replacement" project (414-500-XXXX-4820) from Base CIP Reserve (414-500-XE01-4414).
3. The City Manager and City Clerk are authorized to sign and execute a contract with Navajo Pipelines for the "48th Street Sewer Replacement" project in an amount not to exceed \$78,818.

\_\_\_\_\_  
MAYOR

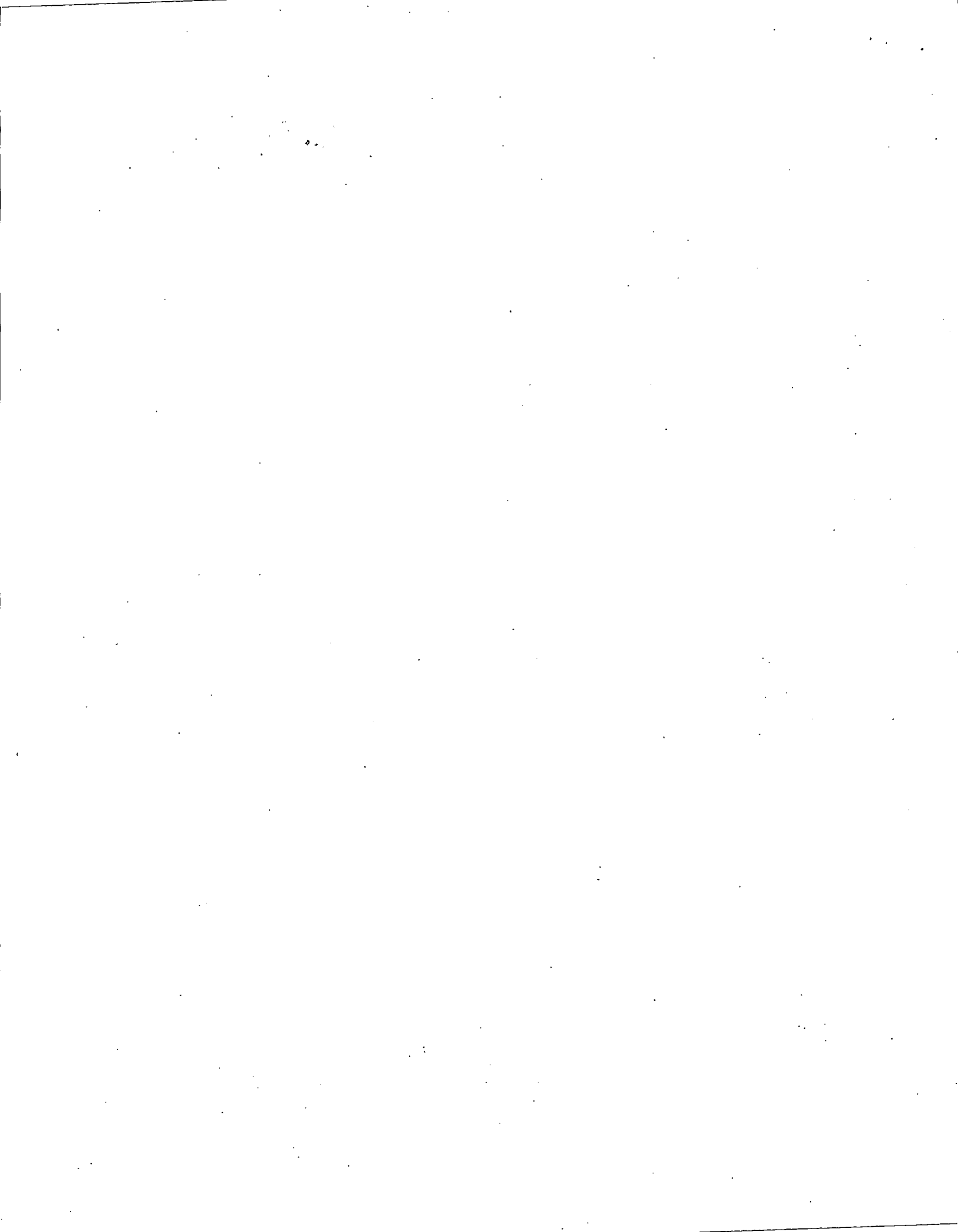
ATTEST:

\_\_\_\_\_  
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_ 7





**48TH ST SEWER BTWN J & M**

**402X**

**Location:** 48th Street between J Street and M Street  
**Planning Area:** East Sacramento

**Council District:** 3

**Project Description**

Replace 1,142 ft of 6" and 8" clay sanitary main.

**Project Objectives**

- To ensure public health and safety by replacing broken sewer main.

**Existing Situation**

This main is cracked and broken with offset joints, sags, poor grade, and root intrusion. There have been numerous blockages of this main that have resulted in overtime maintenance costs and flooded basements in the neighborhood.

**Alternatives**

- Defer this project. This action maintains the current situation. This location is not in the combined system.

**Operating Budget Impact**

Replacement of this main would save on maintenance costs.

**Project Costs**

	Budget thru 6/94	Unspent 6/94	-----Five Year Funding-----				
			1994-95	1995-96	1996-97	1997-98	1998-99
Sewer Fund	0	0	106	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Phasing**

To Date	1994-95	1995-96	1996-97	1997-98	1998-99
Study	Design/ Const.				