

RESOLUTION NO. 2005-533

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF JUN 28 2005

**2005 SEAL COAT PROJECT (PN: RM52) –
REJECT ALL BIDS, SUSPEND COMPETITIVE BIDDING, APPROVE SPECIFICATIONS,
APPROPRIATE FUNDS, AND AWARD CONTRACT**

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

1. All bids received for the 2005 Seal Coat Project (PN:RM52) on May 4, 2005 and June 1, 2005 are rejected;
2. In the best interests of the City, for the reasons set forth in the staff report for this matter, competitive bidding is suspended for the 2005 Seal Coat Project (PN:RM52);
3. The Specifications for the 2005 Seal Coat Project (PN: RM52) are approved;
4. The FY04/05 Capital Improvement Program budget is amended by appropriating \$88,596 Measure A Maintenance (207-710-7012) to the 2005 Seal Coat project (PN: RM52);
5. The City Manager is authorized and directed to execute a contract, in an amount not-to-exceed \$1,755,525, with Intermountain Slurry Seal, Inc. for the 2005 Seal Coat Project (PN: RM52) encumbered as follows:

Project or Budget Title	CIP Number / Funding Line	Unobligated Balance	2005 Slurry Seal Encumbrance
2005 Seal Coat Project	RM52	\$1,804,159	\$1,537,963
City Hall Project	BB81	\$421,017	\$9,177
Transmission Main Replacement	ZJ51	\$160,267	\$12,917
Corp Yard Maintenance Project	CB56	\$150,012	\$8,000
Misc. Drainage Improvements	XB16	\$111,574	\$12,000
Sewer System Rehabilitation	WA51	\$70,462	\$12,000
Bike Trail Repair Project	HB32	\$126,726	\$23,623
Street Maint. Operating Budget	101-340-3491-4258	\$424,070	\$139,845
TOTAL TO BE ENCUMBERED			\$1,755,525

HEATHER FARGO

MAYOR

ATTEST:

SHIRLEY CONCOLINO

CITY CLERK

FOR CITY CLERK USE ONLY

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“To Be Delivered” Material
For
City of Sacramento
City Council
Housing Authority
Redevelopment Agency
Economic Development Commission
Sacramento City Financing Authority
Agenda Packet

Submitted: June 27, 2005

For the Meeting of: June 28, 2005

The attached materials were not available at the time the Agenda Packet was prepared.

Subject: 2005 Seal Coat Project (PN: RM52).



Approved By: Marty Hanneman

Contact: Greg Smith, Associate Engineer, 808-8364

Please include this “To Be Delivered” material in your agenda packet. This material will also be published to the City’s Intranet.

For additional information, contact the City Clerk Department at Interim City Hall, 730 I Street, Suite 211, Sacramento, CA 95814-2671 – (916) 808-7200.

SUMMARY:

The 2005 Seal Coat Project is part of our annual pavement maintenance strategy to extend the useful life of our pavements. This year, our project will also resurface a bike trail located in Council District 7, and a portion of the 24th Street Corporation Yard.

It is requested that the City Council reject all bids received, suspend competitive bidding for the 2005 Seal Coat Project, approve the Specifications for the 2005 Seal Coat Project, appropriate funds, and authorize and direct the City Manager to execute a contract with Intermountain Slurry Seal, Inc. A transfer of funds (207) is also requested to cover the costs of construction management to complete the project.

COMMITTEE/COMMISSION ACTION: None.

BACKGROUND INFORMATION:

The 2005 Street Seal Coat Program is an annual preventive maintenance strategy applied to street surfaces about once every ten years to extend the useful life of the existing pavement. Prior to any street receiving a seal coat, the existing pavement is first prepared by sealing cracks and repairing the roadway base. Our Street Services Division performs these repairs. The Street Services Division developed the existing ten-year plan that helps maintain the quality of City streets in a cost effective manner within the available funds. Maintenance is comprised of sealing cracks, repairing potholes, and various resurfacing treatments on residential streets. The residential streets are shown on maps in the Attachments.

As part of this project, the Street Services Division coordinates with the Parks and Recreation Department to include Class 1 bike trails in this annual preventive maintenance program. This year's bike trail is three miles in distance and is located along the Pocket Canal Parkway in Council District 7.

On May 4, 2005 bids were received for the project. Due to an ESBD issue on the low bid, based on an ambiguity in the bid specifications, and a threat of a bid protest from the second low bidder, staff felt the fair resolution was to reject all bids, clarify the ESBD matter and re-bid.

This project was re-advertised and bids were received on June 1, 2005. The bids are summarized below:

Contractor	Bid Amount	ESBE Participation (Goal 20%)
Intermountain Slurry Seal, Inc.	\$1,755,525	20.7%
Valley Slurry Seal	\$1,878,066	20.1%

City Council
 2005 Seal Coat Project (PN: RM52)
 June 22, 2005

The low bid amount of \$1,755,525 was \$88,597 more than the previous low bid. The construction estimate was \$1,700,000.

Unfortunately, because staff did not return to the City Council for the rejection of bids prior to rebidding the project, as required under applicable provisions of Chapter 3.60 of the Sacramento City Code, the second bid advertisement did not comply with the City Code and therefore was not valid. For this reason, this staff report requests that the City Council reject all bids received in response to both advertisements for bids. If the Council rejects all bids received for the project on May 4, 2005, and June 1, 2005, the Council may then either direct staff to rebid the project, or suspend competitive bidding in the best interests of the City (on a 2/3 vote), to allow the contract to be awarded with no further bidding.

Staff is recommending that the City Council suspend competitive bidding for the project and authorize and direct the City Manager to execute a contract for the project with Intermountain Slurry Seal, Inc., in an amount not-to-exceed \$1,755,525, the amount of Intermountain Slurry Seal's bid in response to the staff's second solicitation for bids. Staff believes that the suspension of competitive bidding under these circumstances is in the City's best interests because this will allow a contract to be executed and the work to proceed immediately, without further bidding procedures. The award of this contract already has been delayed, and the further delay that would result from rebidding the project could prevent completion of all work during this construction season including resurfacing I Street between 5th and 11th Streets and the remaining streets around the new City Hall. In addition, as this contract has already been bid twice, and the amount of the low bid increased for the second bid, staff believes that it is in the City's best interests to award the contract now, rather than rebidding and risk receiving a higher low bid for the project.

If the above recommendations are approved, construction is anticipated to start in July and to be completed in October 2005.

FINANCIAL CONSIDERATIONS:

As of June 6, 2005, the 2005 Seal Coat Project (PN: RM52) has an unobligated balance of \$1,804,159. The contract award to Intermountain Slurry Seal, Inc. in the amount of \$1,755,525 will be encumbered from the projects listed below. Each project has an unobligated fund balance sufficient to execute this contract.

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