



REPORT TO COUNCIL

City of Sacramento

18

915 I Street, Sacramento, CA 95814-2671
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CONSENT
February 28, 2006

Honorable Mayor and
Members of the City Council

Subject: Amend FY06 Capital Grants Budgets; Transfer Funds to Project; Award Construction Contract: R Street Combined Sewer Storage Project 11th to 13th Street (PN:XN27); and authorize the City Manager to execute a Consultant Services Agreement with Nolte and Associates

Location/Council District: This project is located within Council District 4 (see enclosed map)

Recommendation:

- Amend the FY06 Capital Grants Capital Improvement Budgets to recognize revenue and appropriate \$90,788 of CADA funds to the R Street CSS Storage Project (PN: XN27, Fund 248);
- Adopt a resolution to accept the lowest responsive bid from Navajo Pipelines, Inc. for an amount not to exceed \$938,615 and award the construction contract;
- Transfer funds in the amount of \$200,000 to the R Street CS Storage Project (PN: XN27, Fund 413) from the Economic Development Program FY06 (PN: WO06, Fund 413);
- Adopt a Resolution authorizing the City Manager to execute a Consultant Services Agreement with Nolte & Associates in an amount not to exceed \$160,000.

Contact: Dave Brent, Engineering Manager, 808-1420; Rick Batha, Supervising , 808-1448

Presenters: N/A

Department: Utilities

Division: Engineering Services

Organization No: 3332

Summary:

The City's Planning and Economic Development Departments and the Capitol Area Development Authority (CADA) identified the R Street corridor as a priority area for infill development. To encourage development, they applied for and obtained a State Jobs Housing Balance Incentive grant for \$800,000 and appropriated funds to construct

necessary infrastructure in the area including combined system underground storage and water distribution.

Department of Utilities staff coordinated with these departments and CADA and produced plans and specifications for water distribution and combined sewer system mitigation infrastructure necessary to support the development. The Department advertised for bids, which were received from seven contractors and opened by the City Clerk on January 18, 2006. Navajo Pipelines, Inc. was the lowest responsive bidder with a bid of \$938,615. An agreement was negotiated with Nolte Associates, Inc. to provide construction inspection services for this and other projects.

Committee/Commission Action: None.

Background Information:

The project is located within the R Street Corridor infill area. The City Economic Development Department and CADA are encouraging development in the R Street zone between 9th to 16th Streets and, through preliminary engineering by their consultants and DOU staff, have identified necessary water distribution and combined system mitigation infrastructure to support the development. One component of the project is to construct storage capacity to mitigate the additional sewer flows generated from the anticipated development within the R Street Corridor infill area. The other component of the project is the construction of a new water main and fire hydrants to provide adequate fire protection for the area.

A major portion of the project will be funded with the \$800,000 State Jobs Housing Balance Incentive Grant. The remainder of the project will be funded using \$90,788 from the Capitol Area Development Authority and \$200,000 from the Utilities Economic Development Fund.

The water distribution portion of the project consists of constructing 1325 feet of 12-inch water main in R Street between 10th Street and 13th Street, constructing 200 feet of 12-inch water main in 13th Street between R Street and S Street and constructing 6 fire hydrants. The improvements to the combined sewer system include constructing 400 feet of 24-inch combined sewer main in 11th Street between R Street and S Street, constructing 385 feet of 54-inch combined sewer main in 12th Street between R Street and S Street, constructing 800 feet of 36-inch combined sewer main in R Street between 11th Street and 13th Street, and constructing associated manholes and drain inlets as shown on the plans.

This project was advertised and seven bids were opened on January 18, 2006. The bids are summarized below:

Contractor	Bid Amount
Civil Engineering Construction	\$ 844,130
Navajo Pipeline	\$ 938,615
Florez Paving	\$ 969,257

T&S Construction	\$ 996,220
AT&E	\$1,072,638
Syblon Reid	\$1,219,854
C&D Contractors	\$1,698,313

- The apparent low bidder Civil Engineering Construction, requested to withdraw their bid due to a clerical error during the preparation of the bid. This request was reviewed by the City Attorney's Office and approved based on documentation provided by the contractor.
- Staff recommends contract award to Navajo Pipelines, which exceeded the ESBE goals.
- The Engineer's Estimate was \$1,000,000.
- Department of Utilities staff has negotiated a Consultant Services Agreement with Nolte Associates, Inc. to provide construction inspection services during construction of this and other projects as needed to support City inspection staff. Nolte Associates, Inc. was selected from the DOU 2004 list of prequalified consultants of support services.

Financial Considerations:

The Navajo Pipelines construction contract is for an amount not to exceed \$938,615. The estimated cost to complete the project, including design, bidding, construction, and inspection is 1,090,000. The current project budget is \$800,000 from a State Jobs Housing Balance Incentive. Based upon the current total project estimate and the language in the funding agreement, CADA will contribute funding in the amount of \$90,788. Staff recommends that the FY06 Capital Grants Revenue Budget and Expense Budget be amended to recognize revenue of \$90,788 and appropriate \$90,788 to the R Street CSS Storage Project (N: XN27, Fund 248). Further, staff recommends that \$200,000 be transferred from the Economic Development Program FY06 (PN: WO06, Fund 413) to the R Street CSS Storage Project (PN: XN27, Fund 413).

Environmental Considerations:

The City's Environmental Planning Services Division, has reviewed the project and has determined that this project is exempt from CEQA under Sections 15301 (c), 15301(d), and 15302 (c) of the CEQA Guidelines. A notice of categorical exemption will be filed with the County Clerk after the City Council award of this project.

Policy Considerations:

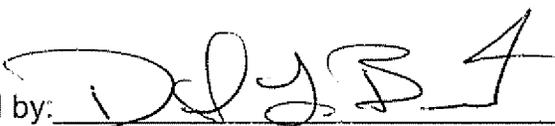
This action is in conformance with City Code Section, 3.60 Articles I and III, which provides that the City Council may award competitively bid contracts to the lowest responsible bidder. Selection of Nolte and Associates conforms to City policies

regarding consultant procurement by utilizing the DOU 2004 list of prequalified consultants for support services.

This report's recommendation is consistent with the City's Strategic Plan goals of: 1) Achieving sustainability and livability; 2) Expanding economic development throughout the City.

Emerging Small Business Development (ESBD):

This project included participation goals of 20% for emerging and small business enterprises as required by Ordinance 99-007 and Resolution 99-055, relating to ESBD participation goals and policies, adopted by the City Council on February 9, 1999. The lowest responsive bidder, Navajo Pipelines, exceeded the ESBD goals with a participation level of 100%.

Respectfully Submitted by: 
David L. Brent
Engineering Manager

Approved by: 
Gary A. Reents
Director of Utilities

Recommendation Approved:


RAY KERRIDGE
Interim City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

EXECUTE A CONSTRUCTION CONTRACT WITH NAVAJO PIPELINES, INC. FOR THE R STREET COMBINED SEWER STORAGE PROJECT 11TH TO 13TH STREET (PN:YN27) AND AUTHORIZE THE CITY MANAGE TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH NOLTE AND ASSOCIATES

BACKGROUND

The Planning and Economic Development Department and the Capitol Area Development Authority (CADA) identified the R Street Corridor as a priority area for infill development. To encourage development, they applied for and obtained a State Jobs Housing Balance Incentive grant for \$800,000 and appropriated funds to construct necessary infrastructure in the area including combined system underground storage and water distribution. Department of Utilities staff coordinated with these departments and CADA and produced plans and specifications and advertised for bids, which were received from seven contractors and opened by the City Clerk on January 18, 2006. Navajo Pipelines, Inc. was the lowest responsive bidder with a bid of \$938,615. An agreement was negotiated with the Capitol Area Development Authority to partially fund the water distribution component of the project. Funds must also be transferred from the Economic Development CIP. Finally, an agreement was negotiated with Nolte Associates, Inc. to provide construction inspection services for this and other projects as needed to support DOU inspectors.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The FY06 Capital Grants Revenue Budget is amended to recognize \$90,788 to the R Street CSS Storage Project (PN:YN27, Fund 248).
- Section 2. The FY06 Capital Grants Capital Improvement Program is amended to appropriate \$90,788 to the R Street CSS Storage Project (PN:YN27, Fund 248)
- Section 3. The City Manager is authorized to transfer \$200,000 from the Economic Development Program FY06 (PN:WO06, Fund 413) to the R Street CSS Storage Project (PN:YN27, Fund 413)

Section 4. The City Manager is authorized to sign and execute a construction contract with Navajo Pipelines for the R Street CSS Storage Project for an amount not to exceed \$938,615.

Section 5. The City Manager is authorized to sign and execute a consultant services agreement with Nolte and Associates for an amount not to exceed \$160,000.