



# REPORT TO COUNCIL

## City of Sacramento

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915 I Street, Sacramento, CA 95814-2604  
www. CityofSacramento.org

Consent  
August 7, 2008

Honorable Mayor and  
Members of the City Council

**Title:** Contract: J/K Alley Sewer Replacement Project – 9<sup>th</sup> to 11<sup>th</sup> Street,  
(X14010014)

**Location/Council District:** Alley between J and K Streets from 9<sup>th</sup> to 11<sup>th</sup>  
Street/Council District 1

**Recommendation:** Adopt a **Resolution:** 1) approving the contract plans and specifications for the J/K Alley Sewer Replacement Project – 9<sup>th</sup> to 11<sup>th</sup> Street (X14010014); and 2) awarding the contract to AC General Engineering for an amount not to exceed \$424,320.

**Contact:** David L. Brent, Engineering Manager, 808-1420; Rick Batha, Supervising Engineer, 808-1448

**Presenters:** Not applicable

**Department:** Utilities

**Division:** Engineering Services

**Organization No:** 3332

### Description/Analysis

**Issue:** The existing 8-inch, 10-inch, 12-inch and 18-inch diameter vitrified clay pipe in the alley between J and K Streets from 9<sup>th</sup> to 11<sup>th</sup> Street serves both commercial and residential customers within the combined sewer system. In the past 5 years, the Department of Utilities has responded to two pipe failures in the alley and recent video inspection reports revealed the remaining sewer main is in poor condition with numerous cracks, heavy grease, off-set joints, and about 100 feet of nearly collapsed pipe. Consistent with the criteria set forth in the City of Sacramento's Capital Improvement Program and the Department of Utilities' Asset Management Program, this section of pipe has failed; and replacement is necessary.

**Policy Considerations:** The requested action is in conformance with City Code Section 3.60, Articles I and III, which provide for the award of competitively bid contracts to the lowest responsible bidder.



This report's recommendation is consistent with the City's Strategic Plan goals of improving and expanding public safety.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The Department of Development Services, Planning Division has reviewed the project and determined that it is exempt from the provisions of the California Environmental Quality Act (CEQA) under Class 1 & 2 and Section numbers 15301(b), 15301(d), and 15302(c) of the CEQA Guidelines, as the project consists of the repair of existing sewer facilities, the restoration or rehabilitation of deteriorated or damaged structures to meet current standards of public health and safety, and the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

**Sustainability Considerations:** The project is consistent with the City's Sustainability Master Plan by reducing Sanitary Sewer Outflows, which is one of the City's sustainability targets; and by improving reliability, which will reduce energy-intensive maintenance efforts.

**Other:** Not applicable

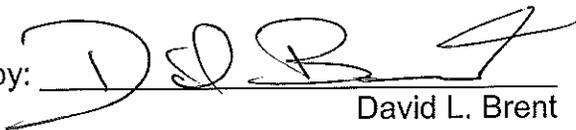
**Commission/Committee Action:** Not applicable

**Rationale for Recommendation:** After the plans and specifications were completed by Engineering Services, the project was formally advertised to solicit public bids. On July 2, 2008, the City Clerk opened seven (7) bids. The low bidder was AC General Engineering and the bid was determined to be responsive. Staff recommends the contract be awarded to AC General Engineering for an amount not to exceed \$424,320.

**Financial Considerations:** The AC General Engineering bid is for an amount not to exceed \$424,320. The total estimated project cost including design, construction, inspection, and contingency is estimated to be \$585,600. The project (PN: X14010014, Fund 6006) has a budget of \$705,000 and an unobligated balance of \$626,168.90, which is sufficient for award and project completion.

**Emerging Small Business Development (ESBD):** This project included a participation goal of 20% for emerging and small business enterprises (ESBEs) as required by Ordinance 99-007 and Resolution 99-055 relating to ESBD participation goals and policies, adopted by City Council on February 9, 1999.

The project bid specifications included recent revisions to the ESBE Requirements to clarify that bidders listing ESBE truckers will only receive ESBE participation credit for the estimated cost of the trucking services to be provided by the ESBE trucker, and will not receive any ESBE participation credit for the cost of supplies purchased by the ESBE trucker from non-ESBE suppliers. The bid submitted by the lowest responsible bidder, AC General Engineering, listed an ESBE trucker, Soares Trucking, Inc., for "Material Purchase/Supplier and Hauling" at an estimated cost of \$85,000, which meets the minimum ESBE participation level of 20%. City staff investigated to determine whether this amount included any supply costs, for which ESBE participation credit cannot be provided. City staff determined that this amount consists solely of ESBE trucking services, so that AC General Engineering's bid meets the ESBE participation requirement. City staff's written documentation of this determination is attached to this report as Attachment 3.

Respectfully Submitted by:   
David L. Brent  
Engineering Manager

Approved by:   
Marty Hannemen  
Interim Director of Utilities

Recommendation Approved:

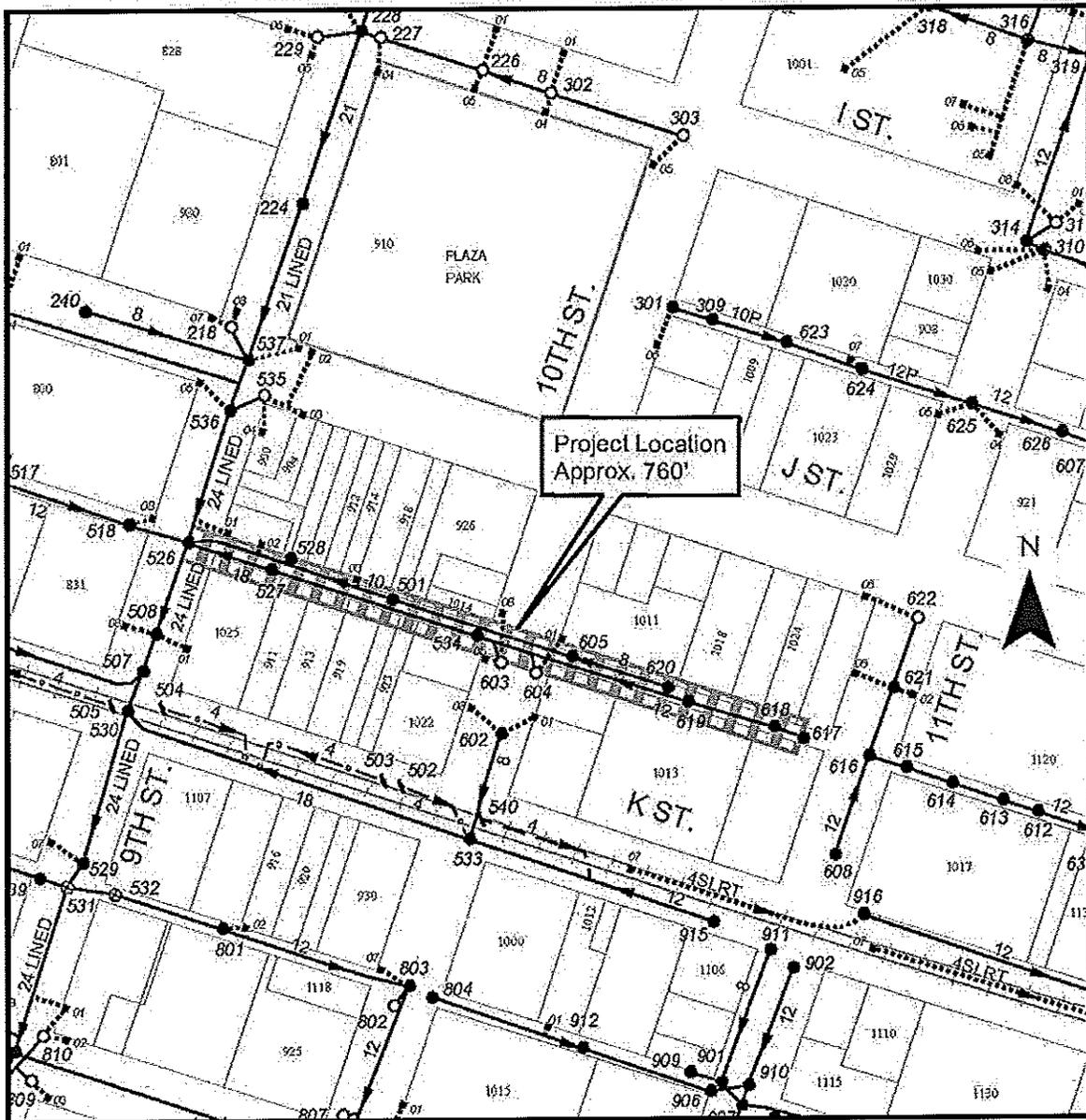
  
Ray Kerridge  
City Manager

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## Project Location Map

**J/K ALLEY SEWER REPLACEMENT PROJECT  
9th to 11th STREET  
(PN: X14010014)**



### Background

The pipeline segment to be replaced by this project is located within the City's combined sewer system. The sewer main provides sewer and drainage services to residential and commercial areas. During the past 5 years, City crews have responded to two failures along this segment. Closed circuit television inspection reports revealed that the sewer main is in poor condition with numerous cracks, heavy grease, offset joints, and about 100 feet of nearly collapsed pipe. Consistent with the criteria set forth in the Department of Utilities' Asset Management Program, this section of pipe has failed and replacement is necessary.

This project consists of replacing the existing 8-inch, 10-inch, 12-inch and 18-inch diameter mains with 15 and 18-inch pipes. Appurtenances including maintenance holes, live sewer services, and clean-outs will be re-installed, and new drain inlets and leads will be placed to new maintenance holes.

This project was advertised and seven (7) bids were received and opened on July 2, 2008. The bids are summarized below:

<b>Contractor</b>	<b>Bid Amount</b>
AC General Engineering	\$424,320
Central Pacific Construction	\$439,519
Florez Paving	\$447,941
Navajo Pipelines, Inc.	\$469,175
Delta Excavating	\$519,610
KAT Construction	\$529,190
Preston Pipelines	\$601,704

The engineer's construction estimate was \$558,000.

**Attachment 3****ESBE Participation Report**

July 23, 2008

The J/K Alley Sewer Replacement Project – 9<sup>th</sup> to 11<sup>th</sup> Street includes a participation goal of 20% for emerging and small business enterprises (ESBEs). The project bid specifications included recent revisions to the ESBE Requirements to clarify that bidders listing ESBE truckers will only receive ESBE participation credit for the estimated cost of the trucking services to be provided by the ESBE trucker, and will not receive any ESBE participation credit for the cost of supplies purchased by the ESBE trucker from non-ESBE suppliers. The bid submitted by the lowest responsible bidder, AC General Engineering, listed an ESBE trucker, Soares Trucking, Inc., for “Material Purchase/Supplier and Hauling” at an estimated cost of \$85,000, which meets the minimum ESBE participation level.

City staff investigated to determine whether the “Material Purchase/Supplier and Hauling” bid item listed included the purchase cost of any supplies by Soares Trucking, Inc., for which ESBE participation credit cannot be provided:

- City staff requested and received from AC General Engineering a detailed pre-bid item list and written quotes made to AC General Engineering from Soares Trucking, Inc. and all major material suppliers for the project.
- The pre-bid item lists and written quotes were cross-checked against AC General Engineering’s bid to determine whether Soares Trucking, Inc. would provide only trucking services and not be involved in the purchase of supplies for the project.
- The information corroborated that the amount listed for Soares Trucking, Inc. consisted solely of trucking costs.
- City staff also asked AC General Engineering for a more detailed explanation of its trucking cost amount, which was significantly higher than the only other bidder that listed its trucker.
- AC General Engineering described its anticipated trucking hours as follows: The contractor plans to off-haul all materials excavated during construction and replace the materials with new aggregate base rock. Because of the confined working area and other project restrictions, an average of two ten wheeler trucks will be used for hauling the materials during construction. Ten wheeler trucks have half the capacity of a normal haul truck, resulting in a substantial increase in trucking costs (estimated to be about double the cost over a normal haul truck). Soares Trucking, Inc. will also be used to haul equipment and pipe supplies.
- City staff finds no basis for determining that the trucking hours anticipated by AC General Engineering are significantly overstated, based on the contractor’s plan for trucking services on this project.
- City staff also requested and received written confirmation from AC General Engineering verifying that AC General Engineering would be purchasing and supplying all materials for the project, while Soares Trucking, Inc. would be providing only trucking of these materials.

Based on this investigation, City staff has determined that the estimated cost of \$85,000 listed in AC General Engineering’s bid consists solely of ESBE trucking services and is not unreasonable, so that AC General Engineering’s bid meets the ESBE participation requirement. These findings were presented for review by the City’s Office of Small Business Development, which concurred in this determination.

**Attachment 4**

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**AWARD CONTRACT FOR J/K ALLEY SEWER REPLACEMENT PROJECT -  
9<sup>TH</sup> TO 11<sup>TH</sup> STREET  
(PN: X14010014, Fund 6006)**

**BACKGROUND**

- A. The combined sewer system pipeline in the alley between J and K Streets from 9<sup>th</sup> to 11<sup>th</sup> Street is in poor condition and has deteriorated beyond repair. Cracks, heavy grease, and offset joints are abundant in the pipe. About 100 feet of the pipe is in a nearly collapsed condition. Replacing the pipe will incorporate any drainage upgrades necessary.
- B. City staff prepared the plans and contract specifications to place approximately 760 linear feet of combined sewer pipeline, including sewer services, manholes and drain inlets to improve these facilities and public safety. The project was advertised for bidding and seven (7) bids were received on July 2, 2008. AC General Engineering was the lowest responsive and responsible bidder.

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

- Section 1. The contract plans and specifications for the J/K Alley Sewer Replacement Project – 9<sup>th</sup> to 11<sup>th</sup>, (PN: X14010014, Fund 6006) are approved, and the contract is awarded to AC General Engineering for an amount not to exceed \$424,320.