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REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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CONSENT
August 26, 2008

Honorable Mayor and
Members of the City Council

Title: Agreements: Collapsing/Demolition of Immediately Dangerous Building Services

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** 1) suspending competitive bidding in the best interests of the City for collapsing/demolition of dangerous buildings services; 2) authorizing the City Manager to execute Master Services Agreements (MSA) for collapsing/demolition of dangerous building services with Advantage Demolition and Engineering; Evans Brothers, Incorporated; and G. W. Demolition for an initial term of one year, with the option to extend for two additional one year terms, up to a total agreement term of three years (including the initial term and all extensions) for an annual not to exceed amount of $100,000 for each MSA; 3) authorizing the City Manager to execute such extension(s) for each MSA for the annual not to exceed amount of $100,000, provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year; and 4) rejecting all prior bids submitted in December 2007.

Contact: Ron O'Connor, Operations Manager, (916) 808-8183

Presenter: Not Applicable

Department: Code Enforcement Department

Divisions: Housing and Dangerous Buildings

Organization Nos: 20001311

Description/Analysis

Issue: The City Code requires contracts of $100,000 or more to be formally bid prior to awarding these contracts. The Code Enforcement Department routinely contracts out this service in order to maintain and protect the public health and safety when property owners are unable to comply with the applicable codes in a timely, safe and satisfactory manner. The initial bids for this service (in December 2007) were rejected by staff due to insufficient information provided by the City regarding multiple awards and pricing criteria. The multi-award contract was again formally bid on April 9, 2008, Bid No. B081181059. The City received four bid responses. Following an analysis of the bids based on the lowest daytime hourly rates, the master service agreements were awarded to

three contractors: 1) Advantage Demolition & Engineering, 2) Evans Brothers, Incorporated, and 3) G. W. Demolition.

Policy Considerations: The recommendations in this report are in accordance with the provisions of City Code Section 3.56.

Committee/Commission Action: None

Environmental Considerations: Under the California Environmental Quality Act (CEQA) Guidelines, administration of a Master Services Agreement does not constitute a project and is therefore exempt from review.

Sustainability Considerations: There are no applicable sustainability considerations.

Rationale for Recommendation: Formal bids for this non-professional service were solicited, and of the bids received, the three lowest bidders were: Advantage Demolition & Engineering, Evans Brothers Incorporated, and G. W. Demolition. The use of these three contractors on a rotation list will enable the department to provide remediation to dangerous buildings according to building, health and safety codes.

Financial Considerations: The Code Enforcement Department operating budget will fund these MSA agreements. Cost recovery for collapsing/demolition services is accomplished by: (1) invoicing the property owners; and/or (2) demands to title companies during escrow (sales/transfers of properties); and/or (3) liens placed on the property.

Emerging Small Business Development (ESBD: Not Applicable.

Respectfully Submitted by: _____
Max B. Fernandez
Code Enforcement Director

Recommendation Approved:

_____
Ray Kerridge
City Manager

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Attachment 1

BACKGROUND

During fiscal year 2007, there were 9 demolitions performed by the G. W. Demolition Company, 2 demolitions performed by P & P Building and Wrecking, Incorporated, 1 demolition performed by the Advantage Demolition Company, and 2 demolitions performed by the Delta Oil Field Services, Incorporated for a total of 14 demolitions at a total cost of $219,516.74. During fiscal year 2008, there were 4 demolitions all performed by the G. W. Demolition Company for a total cost of $47,130. As the need for this service continues, the Code Enforcement Department and Procurement Services Department performed a formal bid solicitation on-line as well as outreach by mail and phone contact. A Request for Qualifications (RFQ) was advertised on the City of Sacramento public website in "Contracting Opportunities," and four contractors submitted bids for the On-Call rotation list. Following the bidding which closed on April 9, 2008, the bid evaluation was performed by Procurement Services based on the daytime labor rates. The four contractors with the lowest daytime labor rates were selected who satisfied Code Enforcement's project requirements as well as the City's standard non-professional service bid requirements, i.e. City business license, current insurance coverage, etc. The firms to be awarded the City's trash and debris abatement services contracts are: 1) Advantage Demolition and Engineering, 2) G. W. Demolition, and 3) Evans Brothers, Incorporated. Considering that the need for this service can greatly fluctuate.

Each MSA provides for an initial term of one year, with the option to extend for two additional one year terms, up to a total agreement term of three years (including the initial term and all extensions). The annual not to exceed amount is $100,000 for each MSA.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING MASTER SERVICES AGREEMENTS FOR COLLAPSING/DEMOLITION OF DANGEROUS BUILDING SERVICES

BACKGROUND

The purpose of the Master Services Agreements is to provide the City with an "On-Call" list of contractors that will provide collapsing/demolition of dangerous building service on a rotational basis. This program eliminates the need to individually bid each collapsing/demolition of dangerous building case. The "On-Call" list of contractors will allow a quicker response to these types of cases citywide. Also, in the current housing and economic depressed markets, these Master Service Agreements will enable the City to be better prepared to remediate threats to the public safety resulting from dangerous buildings by collapsing/demolishing structures when this is deemed necessary.

Contractors were recommended for approval based on the following criteria listed:

- Responsiveness
- Experience and appropriate licenses
- Pricing

Each MSA provides for an initial term of one year, with the option to extend for two additional one year terms, up to a total agreement term of three years (including the initial term and all extensions). The annual not to exceed amount is $100,000 for each MSA.

Formal bids for this non-professional service were solicited, and of the bids received, the three lowest bidders were: Advantage Demolition & Engineering, Evans Brothers Incorporated, and G. W. Demolition. The use of these three contractors on a rotation list will enable the department to provide remediation to dangerous buildings according to building, health and safety codes.

Based on the above, it is in the best interests of the City to suspend competitive bidding to allow the City to enter into Master Services Agreements (MSA) with the 3 contractors: Advantage Demolition and Engineering; Evans Brothers, Incorporated, and G. W. Demolition.

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

Section 1. In the best interests of the City, competitive bidding is suspended for collapsing/demolition of dangerous building services.

Section 2. The City Manager is authorized to execute Master Services Agreements (MSA) for collapsing/demolition of dangerous building services with Advantage Demolition and Engineering; Evans Brothers, Incorporated; and G. W. Demolition for an annual not to exceed amount of $100,000 for each MSA.

Section 3. Each MSA provides for an initial term of one year, with the option to extend for two additional one year terms, up to a total agreement term of three years (including the initial term and all extensions). The City Manager may authorize such extension(s) for the annual not to exceed amount of $100,000, provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).

Section 4. Rejection of all prior bids submitted in December 2007.