



# REPORT TO COUNCIL

## City of Sacramento

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

CONSENT  
April 30, 2009

Honorable Mayor and  
Members of the City Council

**Title: Contract: Valley Hi / North Laguna Library Project (B13000800) (Two-Thirds Vote Required)**

**Location/Council District:** 7320 Cotton Lane, District 8

**Recommendation:** Adopt a **Resolution:** 1) suspending competitive bidding in the best interests of the City; 2) awarding a six-month contract for the construction of a traffic signal at the intersection of Bruceville Road and Cotton Lane and street lighting along Cotton Lane for the Valley Hi/North Laguna Library Project (B13000800) to Pacific Excavation, Inc. in a total amount not to exceed \$178,621; and 3) authorizing the City Manager or the City Manager's designee to execute the contract.

**Contact:** Kevin Love, Construction Manager, 808-5592; Cynthia Kranc, Facilities Manager, 808-2258

**Presenters:** Not applicable

**Department:** General Services

**Division:** Facilities and Real Property Management

**Organization No:** 13001541

### Description/Analysis

**Issue:** In accordance with City Code Section 3.60.170, the City Council may, by a two-thirds vote, suspend competitive bidding for any public project in the best interests of the City. The City of Sacramento has a project requirement to construct and install a traffic signal at the intersection of Bruceville Road and Cotton Lane and street lighting along Cotton Lane for the Valley Hi/North Laguna Library. The traffic signal and street lighting was not in the original Sundt Construction Guaranteed Maximum Price (GMP) for construction of the Valley Hi/North Laguna Library.

The estimated cost of construction and installation of a traffic signal and modifications to the existing intersection is approximately \$180,000. Because of



the specialized nature of the work and cost saving measures, both the City of Sacramento and Sundt, the general contractor, have concluded that in the interest of time and financial resources, contracting directly with the subcontractor, Pacific Excavation, Inc. is the most cost effective and expeditious way to meet the project construction requirements and schedule deadlines.

This approach results in net savings of \$83,477 and allows the project to be completed in a timely manner. Contracting directly with the subcontractor, Pacific Excavation, Inc. will also benefit the Department of Parks and Recreation. The timeliness of the traffic signal and street lighting installation will aid in providing immediate access to the newly constructed Shasta Park located immediately to the east of the library.

**Policy Considerations:** The recommendations in this report are consistent with the provisions of Sacramento City Code Chapter 3.60.

**Committee/Commission Action:** Not applicable

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The Environmental Services Manager has determined the project, as proposed, will not have a significant impact to the environment; therefore, a Mitigated Negative Declaration has been prepared. In compliance with Section 15070 of the California Environmental Quality Act Guidelines, the applicant has incorporated mandatory mitigation measures into the project plans to avoid identified impacts or to mitigate such impacts to a point where clearly no significant impacts will occur. These mitigation measures address Biological Resources and Cultural Resources. The draft Mitigated Negative Declaration was circulated for a 30-day public review and comment period from August 1, 2007, through August 30, 2007. No comment letters were received during the public review and comment period. City Council approved the Environmental Documents along with the Master Plan for Shasta community Park on October 9, 2007.

**Sustainability Considerations:** Not applicable

**Rationale for Recommendation:** The City of Sacramento has a project requirement to purchase and install a traffic signal at the intersection of Bruceville Road and Cotton Lane and street lighting along Cotton Lane for the opening of the Valley Hi/North Laguna Library. The traffic signal and street lighting was not in the original Sundt Construction Guaranteed Maximum Price (GMP).

The entire scope of Cotton Lane and the related signaled intersection and street lighting was originally to be completed by STL Company, LLC as part of its

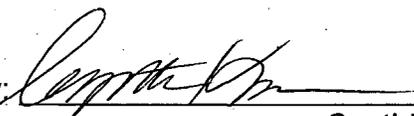
master planned development along Bruceville Road. Due to a downturn in the economy STL Company had to postpone its project and all infrastructure related improvements. However, to ensure access to the Library, City Council adopted Resolution No. 2007-883 on December 4, 2007 appropriating \$1.5 million to the Library project for construction of Cotton Lane and the signalized intersection at Bruceville Road and Cotton Lane.

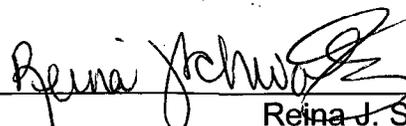
In April of 2008, Pacific Excavation, Inc. was the apparent low bidder to Western Engineering and was approximately \$10,000 less than the other bidders. Due to the specialized nature of the work and the results of negotiations related to the signalized intersection and street lighting improvements with all interested parties, the Department of General Services concluded that it would be in the best interest of the City of Sacramento to decline a proposed change order request in the amount of \$262,098.

The estimated cost of construction and installation of a traffic signal and modifications to the existing intersection is approximately \$180,000. Both the City of Sacramento and Sundt, the general contractor, have concluded that in the interest of time and financial resources, contracting directly with the third party representative, Pacific Excavation, Inc. is the most cost effective and expeditious way to meet the project construction requirements and schedule deadlines.

**Financial Considerations:** The total approved project budget for the Valley Hi North Laguna Library is \$18,063,872. Sufficient funds from the 2006 Capital Improvement Revenue Bond Fund (Fund 3004) are available in the Valley Hi/North Laguna Library project to award the construction contract to Pacific Excavation, Inc. in an amount not to exceed \$178,621.

**Emerging Small Business Development (ESBD):** Pacific Excavation, Inc. has committed to meet the City's ESBD goal of 20%.

Respectfully Submitted by:   
Cynthia Kranc  
Facilities Manager

Approved by:   
Reina J. Schwartz  
Director, Department of General Services

Recommendation Approved:



*for*  
Ray Kerridge  
City Manager

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**Attachment 1**

**BACKGROUND INFORMATION**

- On October 11, 2005, City Council authorized the City Manager to identify projects for 2006 Community Reinvestment Capital Improvement Program (CRCIP) bond issuance. The Valley Hi / North Laguna Library project was included in the approved 2006 CRCIP bond issuance and is funded with non-taxable bond dollars which requires a completion by June 30, 2009.
- On January 23, 2007 City Council approved the architectural agreement with Noll & Tam Architects. The interior design, selection, and specification of furniture consistent with the City of Sacramento's furniture guidelines was part of that agreement. The project consists of a new 20,000 square foot library, and partial construction of Cotton Lane.
- On March 20, 2007, City Council approved Resolution No. 2007-166 suspending competitive bidding and authorizing the Department of General Services to implement a two-step qualification and selection process to hire a Design-assist team to complete construction of the Valley Hi North Laguna Library.
- On July 20, 2007 the City of Sacramento received three proposals for Design Assist Construction Contracting Services. The three Contractors were interviewed and Sundt Construction was chosen.
- On December 4, 2007, City Council adopted Resolution No. 2007-883 appropriating \$1.5 million to the project for construction of the intersection at Bruceville Road and Cotton Lane, and a portion of Cotton Lane to provide access to the Valley Hi – North Laguna Library.
- On February 26, 2008, City Council adopted Resolution No. 2008-104 awarding a design-assist construction contract for the construction of the Valley Hi/North Laguna Library project to Sundt Construction Company for the guaranteed maximum price of \$10,043,212.
- On November 18, 2008, City Council adopted Resolution No. 2008-768 authorizing execution of an agreement between the City of Sacramento and STL Company, LLC for : 1) reimbursement in the amount of \$750,000 from STL Company, LLC to the City for roadway improvements necessary for construction of Cotton Lane for the Valley Hi/North Laguna Library project; 2) reimbursement from the City to STL Company, LLC in the amount of \$63,000 for the use of approved engineering documents for the Cotton Lane construction. Additionally, Resolution No. 2008-768 amended the revenue and expenditure budgets for the Valley Hi/North Laguna Library project to reflect the reimbursement in the amount of \$750,000 (Fund 3702). The project is scheduled for completion and grand opening in August, 2009.

- On February 17, 2009, City Council adopted Resolution No. 2009-087 authorizing the use of U.S. Communities Contract No. RQ07-878957-20 with Knoll c/o Hogue & Associates through US Communities for the purchase of library furniture in an amount not to exceed \$140,322 for the Valley Hi/North Laguna Library Project (B13000800).

## **RESOLUTION NO. 2009-XXXX**

Adopted by the Sacramento City Council

**April 30, 2009**

### **SUSPENDING COMPETITIVE BIDDING AND AWARDING A CONTRACT FOR TRAFFIC SIGNALIZATION AND STREET LIGHTING IMPROVEMENTS FOR THE VALLEY HI NORTH / NORTH LAGUNA LIBRARY - COTTON LANE PROJECT (B13000800)**

#### **BACKGROUND**

- A. On March 20, 2007, City Council adopted Resolution No. 2007-166, suspending competitive bidding and authorizing the Department of General Services to implement a two-step qualification and selection process to hire a Design-assist team to complete construction of the Valley Hi/North Laguna Library.
- B. On July 20, 2007, the City of Sacramento received three proposals for design assist construction contracting services. All three respondents were interviewed and the selection committee consisting of members from the North Laguna Library, Noll and Tam Architects, and the Department of General Services chose Sundt Construction Company.
- C. On December 4, 2007, City Council adopted Resolution No. 2007-883 appropriating \$1.5 million to the project for construction of the intersection at Bruceville Road and Cotton Lane, and a portion of Cotton Lane to provide access to the Valley Hi – North Laguna Library.

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

- Section 1. It is in the best interests of the City to suspend competitive bidding, and competitive bidding is hereby suspended for the construction of a traffic signal at the intersection of Bruceville Road and Cotton Lane and street lighting along Cotton Lane for the Valley Hi/North Laguna Library Project (B13000800).
- Section 2. Pacific Excavation, Inc. is awarded a six-month contract for the construction of a traffic signal at the intersection of Bruceville Road and Cotton Lane and street lighting along Cotton Lane and related improvements for the Valley Hi/North Laguna Library Project (B13000800) in an amount not to exceed \$178,621.
- Section 3. The City Manager or the City Manager's designee is authorized to execute the contract specified above.