



City of Sacramento City Council

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

Meeting Date: 5/29/2012

Report Type: Consent

Title: Sacramento Railyards West Tunnel Ramps, and Related Work - Rejection of Bids

Report ID: 2012-00443

Location: Downtown west of Sacramento Valley Station, adjacent to Interstate 5, District 1

Recommendation: Pass a Resolution rejecting all bids for the Sacramento Railyards West Tunnel Ramps and Related Work Project which would construct ramps and stairways from the new West tunnel connecting Old Sacramento to the Railyards Shops Area, ramp water proofing, constructing access improvements, reconstruction of parking lot, and related work.

Contact: Jon Blank, Supervising Civil Engineer, (916) 808-7914; Nicholas Theocharides, Engineering Services Manager, (916) 808-5065, Department of Transportation

Presenter: None

Department: Transportation Department

Division: Construction Inspect & Survey

Dept ID: 15001141

Attachments:

- 1- Description/Analysis
- 2 - Background Information
- 3 - Project Map
- 4 - Resolution

City Attorney Review

Approved as to Form
Gerald Hicks
5/17/2012 11:08:16 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
5/11/2012 11:52:09 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 5/17/2012 9:58:23 AM

Description/Analysis

Issue: Sacramento Railyards West Tunnel Ramps and Related Work Project, was advertised and bids were received on April 18, 2012. The engineer's estimate was \$2.7 million. Four bids were received, and three of the bids substantially exceeded the engineer's estimate. One bid was deemed not responsive. Staff recommends all bids be rejected and the bid be readvertised.

The project will be re-scoped and readvertised after May 30, 2012. It is anticipated that bid opening will be in late June 2012, and award in August 2012. The project needs to maintain this schedule to retain federal stimulus funding and to coordinate with other construction projects.

Policy Considerations: The action requested herein is consistent with City API 4002 Section 8.5(b) which states: for contracts of \$100,000 or more, only the City Council has the authority to reject bids.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to reject all bids is not subject to environmental review.

Sustainability Considerations: The Sacramento Railyards West Tunnel Ramps and Related Work Project will provide facilities to accommodate access between Old Sacramento and the Railyards area. The Sacramento Railyards West Tunnel Ramps and Related Work project will improve operations, safety, and convenience for passenger service and goods movement, as well as facilitate the future development of the Intermodal facility. The improvements are consistent with the City's sustainability goals to provide better accessibility to public transportation.

Other: None.

Commission/Committee Action: None.

Rationale for Recommendation: The engineer's estimate was \$2.7 million. Four bids were received and three of the bids substantially exceeded the engineer's estimate. One bid was deemed not responsive. Staff recommends all bids be rejected and the bid be readvertised.

Financial Considerations: The Intermodal Project includes a total expense budget of \$170 million, consisting of federal, state, and local funds, of which \$23.9 million is currently unobligated. This project includes numerous sub-projects related to specific tasks, including some major activities currently under construction (e.g., Track Relocation, Depot Retrofit). In most instances, the budget and funding are allocated and restricted to specific activities. In order to manage funds restricted to specific uses and ensure adequate budget for specific tasks, the funds are administratively divided by budget into specific subtasks.

The City has obligated \$2,783,330 in federal funds that require a minimum 20 percent local match for construction specifically for the West Pedestrian Tunnel Ramps. This

funding is needed to address construction and construction management for the ramps to the pedestrian tunnel.

The majority of the unobligated funding is committed to cover project costs for existing and near term activities related to the Intermodal Facility. To use this funding to cover additional costs for ramp construction would require deferral or reduction of other critical activities. Therefore, it is recommended that this item be readvertised to seek lower construction costs.

Disadvantaged Business Enterprise (DBE): The Sacramento Intermodal Transportation Facility (SITF) Track Relocation Project has federal funding and requires conformance with project participation guidelines for Disadvantaged Business Enterprise (DBE) /Underutilized Disadvantaged Business Enterprises (UDBE) in lieu of the City of Sacramento Emerging and Small Business Enterprise (ESBE) program requirements. The UDBE goal is 3.37%. If the Contractor does not meet the UDBE goal, Good Faith Effort toward meeting the required goal must be demonstrated. This information will be provided in the subsequent council report that recommends contract award.

Background Information:

The Sacramento Railyards West Tunnel Ramps and Related Work Project constructs ramps and stairways from the new West Pedestrian tunnel to Old Sacramento and the Railyards Central Shops Area. The work also includes ramp waterproofing, constructing access improvements, reconstructing a parking lot, soil and groundwater handling, and related work. As a result, the accessibility around Old Sacramento, the Railyards area, and future intermodal station will be improved.

Construction Bids

The project was advertised and a total of four bids were received on April 18, 2012. The bids are summarized below:

Contractor	Bid Amount
Comsa Emte	\$2,272,661.96
Diede	\$4,815,395.78
Granite	\$5,087,508.00
Roebbelen	\$6,407,898.00

The engineer's estimated construction cost was \$2.7 million. Comsa Emte's bid was rejected due to the following:

- There was an omission in the bid proposal, significant mathematical errors on the bid proposal, and multiple bid item extension errors were made.
- They did not meet the 3.37% UDBE goal.
- Failing to meet the Underutilized Disadvantaged Business Enterprise (UDBE) goal, Comsa Emte had four days after bid opening to submit a Good Faith Effort (GFE) and failed to do so thereby not adhering to the federal DBE guidelines that govern this project.

Project Funding

The Intermodal Project includes a total expense budget of \$170 million, consisting of federal, state, and local funds, of which \$23.9 million is currently unobligated. This project includes numerous sub-projects related to specific tasks, including some major activities currently under construction (e.g., Track Relocation, Depot Retrofit). In most instances the budget and funding are allocated and restricted to specific activities. In order to manage funds restricted to specific uses and ensure adequate budget for specific tasks, these are administratively divided by budget into specific subtasks.

As of April 27, 2012, the budget and unobligated balance for the project as allocated with sub-CIPs is listed in the following table.

Project #	Title	Expense Budget	Unobligated Balance
T15029000	Sacramento Intermodal Facility	\$13,818,248	\$9,824,722
T15029001	Site Acquisition	56,829,368	0
T15029002	Sac Valley Station-Historic	50,000	49,282
T15029003	Depot Retrofit	13,575,329	1,888,064
T15029004	SVS Upgrades	468,000	100,041
T15029005	Track Relocation - Design	10,489,317	1,059,946
T15029006	Track Relocation - Construction	69,567,105	6,754,790
T15029030	West Pedestrian Tunnel	412,000	1,505
T15029040	Intermodal Phase II	4,362,925	4,239,284
T15029049	Intermodal Elec Refeed	681,353	1
TOTAL		\$170,253,645	\$23,917,635

The City has obligated \$2,783,330 in federal funds to pay for construction of the West Tunnel Ramps which is not reflected in the budget table above.

The majority of the unobligated funding is committed to cover project costs for existing and near term activities related to the Intermodal Facility. To use this funding to cover additional costs for ramp construction would require deferral or reduction of other critical activities. Therefore, it is recommended that this item be readvertised to seek lower construction costs.



Location Map for
**SACRAMENTO RAILYARD WEST TUNNEL
RAMPS AND RELATED WORK
T15029030**



Map Contact
V. GRECHKO



APRIL 2, 2012



RESOLUTION NO.

Adopted by the Sacramento City Council

REJECTING ALL BIDS FOR THE SACRAMENTO RAILYARDS WEST TUNNEL RAMP AND RELATED WORK PROJECT

BACKGROUND

- A. The Sacramento Railyards West Tunnel Ramps and Related Work project will construct ramps and stairways connecting the existing West Tunnel to Old Sacramento and the Railyards Central Shops area.
- B. The project was advertised and a total of four bids were received on April 18, 2012.
- C. The engineer's estimated construction cost was \$2.7 million.
- D. All responsive bids substantially exceeded the engineer's estimate.
- E. Staff recommends all bids be rejected, the project re-scoped and the bid re-advertised.

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

- Section 1. All bids received April 18, 2012 for the Sacramento Railyards West Tunnel Ramps and Related Work Project, which constructs ramps and stairways connecting the existing West Tunnel to Old Sacramento and the Railyards Central Shops area, are hereby rejected.