



REPORT TO COUNCIL

City of Sacramento

13

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

Consent
September 5, 2006

**Honorable Mayor and
Members of the City Council**

**Title: Reject Bids: Truxel Road at Natomas Marketplace North Entrance Project
(PN: ST21)**

Location/Council District: Truxel Road at North Driveway Entrance to Natomas
Market Place. Location map – Exhibit A of Resolution. (District 1)

Recommendation: Adopt a **Resolution** rejecting all bids received July 26, 2006 for
the Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21).

Contact: Ricky Chuck, Senior Civil Engineer, (916) 808-5050; Jon Blank, Supervising
Engineer, (916) 808-7914

Presenters: None

Department: Department of Transportation

Division: Engineering Services

Organization No: 3434

Description/Analysis

Issue: The Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21) will construct a traffic signal at the northern driveway entrance to the Natomas Marketplace site. This project is the first phase of the Truxel Road Traffic Improvements Project (PN: ST21). The apparent low bid amount is significantly high and exceeds the engineer's estimate by approximately \$251,000 (50%). Staff recommends rejecting bids and re-advertising this project.

Policy Considerations: Sacramento City Code requires City Council's approval to reject bids.

Environmental Considerations: The Development Services Department, Environmental Planning Services Division has reviewed the proposed action and determined that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) under Class 1, Section 15301(c), Class 3, Section 15303(d), Class 4, Section 15304(b) and Section 15304(f) of the CEQA Guidelines. Class 1, Section 15301(c) consists of minor alterations of existing highways streets, sidewalks, curbs, gutters and similar facilities.

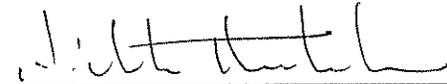
Class 3, Section 15303(d) consists of new construction of water main, sewage, electrical, gas and other utility extensions, including street improvements, of reasonable length to serve such construction. Class 4, Section 15304(b) consists of new gardening or landscaping and Section 15304(f) consists of minor trenching and backfilling where the surface is restored.

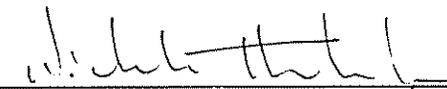
Rationale for Recommendation: Only one bid was received. Bid opening occurred during the peak of the construction season. The bid amount is much greater than estimated and the total project cost exceeds the available funding.

Staff will re-advertise this project and contact potential bidders to solicit and encourage competitive bidding. Furthermore, staff will increase the number of working days to provide more time to construct the improvements and continue to use all reasonable efforts to complete the project at the earliest possible time.

Financial Considerations: The current project budget is \$1,000,000. As of August 1, 2006, the project has an unobligated balance of \$878,927.

Emerging Small Business Development (ESBD): No goods or services are being procured at this time.

Respectfully Submitted by: 
Nicholas Theocharides
Engineering Services Manager

Approved by: 
for Jerry Way
Interim Director, Department of Transportation

Recommendation Approved:

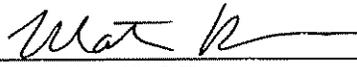

RAY KERRIDGE
City Manager

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Attachment 1

Background Information:

The Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21) will construct a traffic signal at the northern driveway entrance to the Natomas Marketplace site. This project is the first phase of the Truxel Road Traffic Improvements Project (PN: ST21). The second phase of the Truxel Road Traffic Improvements Project will extend the northbound Truxel Road left turn pocket and re-stripe the triple left turn to accommodate the left turn pocket extension at the Truxel Road and Gateway Park Boulevard intersection for the northbound traffic entering the Natomas Marketplace main entrance. California Department of Transportation (Caltrans)'s approval is required to implement the second phase of the Improvement Project. Staff is working with Caltrans for their approval.

The Truxel Road Traffic Improvements Project is the direct result of a Settlement Agreement and Release of Litigation between the following parties: 1) Donahue Schriber Realty Group, L.P., the Petitioner in the Litigation, and the owner of the Natomas Marketplace, 2) The City of Sacramento, respondents in the Litigation 3) Opus West Corporation, a Real Party in Interest in the Litigation and the owner and developer of the Promenade at Natomas Project, and 4) The Fong Liquidating Trust, and its Co-Trustees Norma On, Roger G.F. Fong, and Merrily F. Wong, Real Parties in Interest in the Litigation and the owners of a portion of the Promenade Project site. As part of the above mentioned settlement agreement, the developer of the Promenade at Natomas Project has set aside \$1,000,000 in an improvement-bond liquefied by the City and transferred into the Truxel Road Traffic Improvements Project (PN: ST21). The City is to use all reasonable efforts to complete the construction of the Traffic Improvement Project by December 31, 2006 according to the settlement agreement.

Staff has been diligent in all efforts to meet the December completion schedule. This project was advertised and one bid was received on July 26, 2006. The bid is summarized below:

Contractor	Bid Amount	ESBE Participation Goal 20%
Yubacon, Inc	\$758,267	82.5%

The engineer's estimate is \$507,000.

The apparent low bidder, Yubacon, Inc. met the minimum ESBE participation goal of 20%. However, the bid amount is significantly high and exceeds the engineer's estimate by approximately \$251,000 (50%). Based on the bid, the estimated total project cost for the Truxel Road Traffic Improvement Project will exceed the project budget by \$200,000.

Due to the significantly high bid and a short construction time frame because of the holiday season moratorium, it is recommended that the bid be rejected and the project be re-advertised for bids. Staff will contact potential bidders to solicit and encourage more competitive bidding. Staff will increase the number of working days to provide more time to construct the improvements. Staff will re-advertise the project at a later time this year with start of construction anticipated in February 2007 and completion in summer 2007. Rejecting the bid and re-advertising the project will delay the completion date. Staff will continue to use all reasonable efforts to obtain Caltrans' approval and complete the project at the earliest possible time.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

REJECT BIDS FOR THE TRUXEL ROAD AT NATOMAS MARKETPLACE NORTH ENTRANCE PROJECT (PN: ST21)

BACKGROUND

- A. The Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21) will construct a traffic signal at the northern Truxel Road driveway entrance to the Natomas Marketplace site. This project is the first phase of the Truxel Road Traffic Improvements Project (PN: ST21). The second phase of the Truxel Road Traffic Improvements Project will extend the northbound Truxel Road left turn pocket and re-stripe the triple left turn to accommodate the left turn pocket extension at the Truxel Road and Gateway Park Boulevard intersection for the northbound traffic entering the Natomas Marketplace main entrance. California Department of Transportation (Caltrans)'s approval is required to implement the second phase of the Improvement Project. Staff is working with Caltrans for their approval.

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- B. Staff has been diligent in all efforts to meet the December completion schedule. This project was advertised and one bid was received on July 26, 2006. The bid is summarized below:

Contractor	Bid Amount	ESBE Participation Goal 20%
Yubacon, Inc.	\$758,267	82.5%

The engineer's estimate is \$507,000.

The apparent low bidder, Yubacon, Inc. met the minimum ESBE participation goal of 20%. However, the bid amount is considerably high and exceeds the engineer's estimate by approximately \$251,000 (50%). Based on the bid, the estimated total project cost for the Truxel Road Traffic Improvement Project will exceed the improvement bond by \$200,000.

- C. Due to the considerably high bid and a short construction time frame because of the holiday season moratorium, it is recommended that the bid be rejected and the project be re-advertised for bids. Staff will contact potential bidders to solicit and encourage more competitive bidding. Staff will increase the number of working days to provide more time to construct the improvements. Staff will re-advertise the project at a later time this year with start of construction anticipated in February 2007 and completion in summer 2007. Rejecting the bid and re-advertising the project will delay the completion date. Staff will continue to use all reasonable efforts to obtain Caltrans' approval and complete the project at the earliest possible time.

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

- Section 1. The one bid received on July 26, 2006 for the Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21) be rejected and the project should be re-advertised.

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- Exhibit A: Map of Truxel Road at Natomas Marketplace North Entrance Project (PN: ST21)

EXHIBIT A

TRUXEL ROAD AT NATOMAS MARKETPLACE ENTRANCE PROJECT



**PN: ST21
LOCATION MAP**

MAP CONTACT: D. CAMERON
DATE: 8/08/06