

REPORT TO COUNCIL

City of Sacramento

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

Consent
February 20, 2007

Honorable Mayor and
Members of the City Council

Title: Sacramento Marina South Basin Renovation Project (PN: IA66).

Location/Council District: The Sacramento Marina is located at Miller Park within Council District 4 (see enclosed map).

Recommendation: Adopt a **Resolution** 1) rejecting all bids; 2) suspending competitive bidding in the best interests of the City; and 3) authorizing the negotiation of a contract for the Sacramento Marina Renovation Project (PN: IA66).

Contact: Rebecca Bitter, Interim Marina Manager, 808-5037; David L. Brent, Engineering Manager, 808-1420; or Andy Hunt, Supervising Engineer, 808-1408.

Presenters: N/A

Department: Department of Convention, Culture and Leisure and Department of Utilities

Division: Sacramento Marina

Organization No: 4370

Description/Analysis

Issue: The City received three bids for this project, the lowest of which exceeded both the engineer's estimate and the project fund balance. Due to this funding constraint, the contract cannot be awarded to the lowest responsible bidder. To enable the project to be accomplished within the available funding and within this year's construction window, City staff recommends that the City Council reject all bids, suspend competitive bidding in the best interests of the City, and authorize staff to undertake negotiations with the bidders within specified parameters. If an agreement is obtained for construction of the project this year for an amount within the available project funding, such agreement will be brought back to the Council for approval.

Policy Considerations: The rejection of bids and suspension of competitive bidding is authorized under Chapter 3.60 of the City Code. Such actions will serve the City's best interests by allowing the project to be accomplished within the available funding and within this year's construction window.

Environmental Considerations: On February 22, 2005, the City Council approved the Mitigated Negative Declaration and adopted the Mitigation Monitoring Plan for the Marina South Basin Improvements project (CIP# IA66), Resolution #2005-108.

Potentially significant environmental issues regarding Water, Biological Resources, and Cultural Resources were discussed and mitigated in this document. No new issues or new information is known that would trigger additional environmental analysis.

Section 15162 of the California Environmental Quality Act (CEQA) Guidelines provides that an additional Negative Declaration need not be prepared unless substantial changes are proposed in the project, substantial changes occur with respect to the project circumstances, or new information of substantial importance to the project becomes known or available. As none of the conditions listed above relating to Section 15162 exist, additional environmental review is not required.

Commission/Committee Action: none

Rationale for Recommendation: The actions recommended by this report are necessary to obtain a contract that will allow the project to be accomplished with the available funding and within this year's construction window.

Financial Considerations: This project will be funded by a loan from the Department of Boating and Waterways (DBAW). Negotiation of a contract is anticipated to yield an appropriate project that will fit the budget so that sufficient funds will be available for contract award. Staff has confirmed that DBAW funds may be used for a contract negotiated after the rejection of bids and suspension of competitive bidding.

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

Respectfully Submitted by: 

David L. Brent
Engineering Manager

Approved by: 

Barbara E. Bonebrake
Director, Convention, Culture and Leisure Department

Approved by: 
Gary A. Reents
Director of Utilities

Recommendation Approved:


for Ray Kerridge
City Manager

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Background

Rejection Of Bids, Suspension Of Competitive Bidding, And Authorization To Negotiate A Contract For The Sacramento Marina South Basin Renovation Project (PN: IA66).

The Sacramento Marina is the largest and most comprehensive marina in the Sacramento area, consisting of the North and South basins. The 284 boat slip North Basin was completed in 1990. A portion of the 263 boat slip South Basin was renovated in 1990; the remainder is 45 years old and in a deteriorated condition.

The purpose of this project is to rebuild and reconfigure all the existing wooden boat slips in the South Basin, and cover 78 25-foot slips in the North Basin. In addition, the proposed project includes dredging portions of the South Basin, replacing the existing store and fuel dispensers, adding a restroom, adding fire sprinklers and emergency gangways, providing water and electrical utilities, and adding an ADA accessible gangway to the marina.

The project was competitively bid, and the City Clerk received and opened three bids on January 10th, 2007, as follows:

Contractor	Base Bid Amount
American Civil Constructors West Coast, Inc	\$9,085,513
Bellingham Marine Industries, Inc	\$11,676,379
Sierra National Construction, Inc	\$11,787,890

These bids exceeded the Engineer's estimate of \$8,200,000, and there currently are insufficient funds available for award at the lowest bid price.

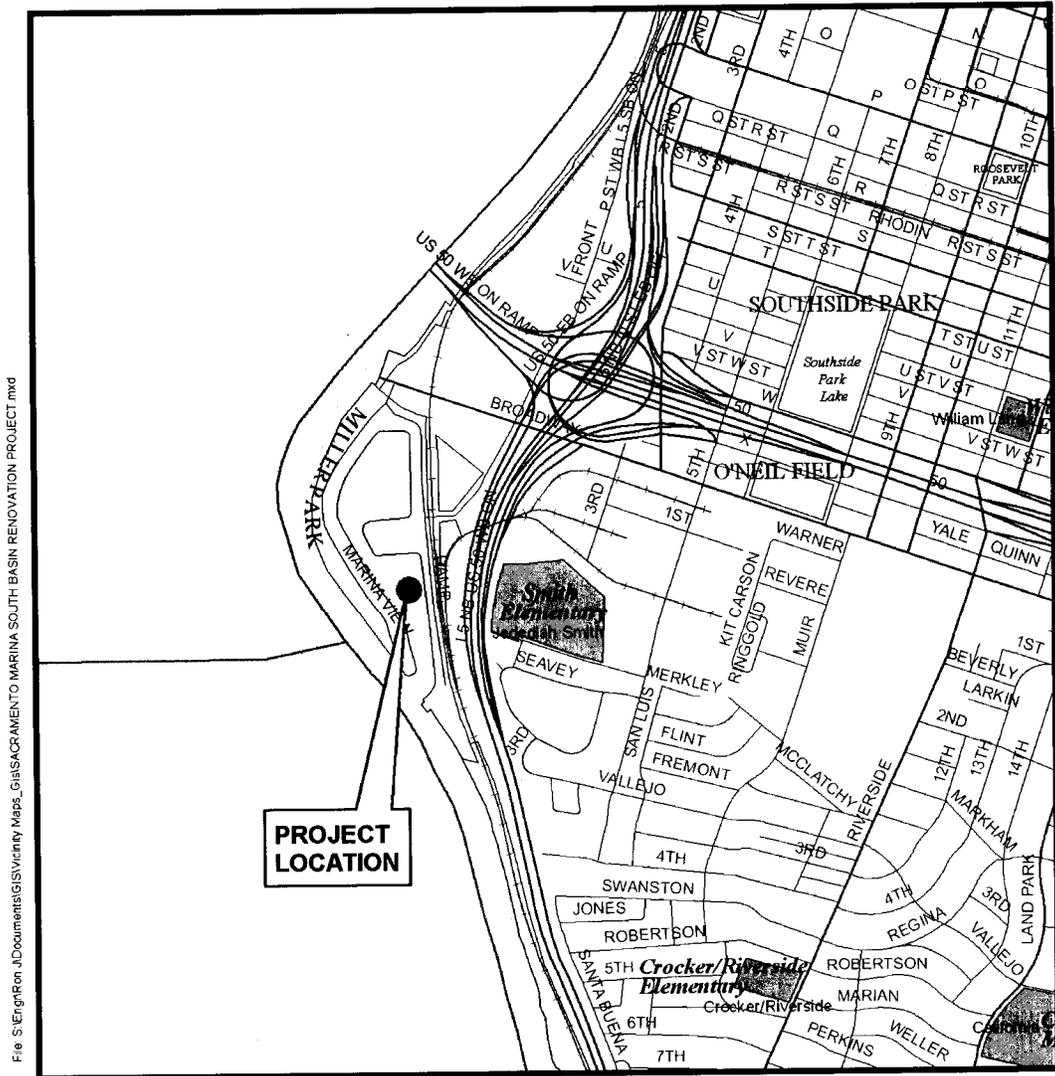
The timing of construction of the project is constrained by the Army Corps of Engineers permit which requires all in-water construction activities to occur between August 1st and November 30th. Due to this constraint, revising this project to bring costs down and then re-bidding this project would very likely delay the project for a year, during which time it is expected that construction costs will continue to escalate.

It is in the City's best interests to avoid this delay and cost escalation. For this reason, staff is recommending that the City Council reject all bids, suspend competitive bidding in the best interests of the City, and authorize staff to negotiate with those of the three bidders who agree to negotiate within the parameters recommended below, to obtain an agreement for construction of the project this year for an amount within the available project funding. Staff proposes establishing the following parameters to apply to such negotiation process:

1. Revisions to the project scope in order to reduce costs will be determined in the sole discretion of the City, and will be limited to consideration of the following potential revisions, unless City staff determines that other revisions that would not reduce the project quality or scope may be acceptable:
 - a. Use of a concrete deck with a truss supported float system instead of the specified concrete float systems.
 - b. Elimination of the covers from Dock K including the fire protection system.
 - c. Reuse instead of replacement the existing fuel dispensing system, the sewer pump out facility and the marina store on the new dock system.
 - d. Elimination of the replacement of Dock K including the marina store and fuel pumps.
2. The contract price negotiated for the project must be less than the low bid already received and within the funding that is available for the contract.
3. Negotiations with all participating contractors must be concluded within two weeks after the date that the City Council authorizes negotiations, unless the Director of Utilities extends this time period.
4. At the conclusion of negotiations, if at least one contractor is offering a contract price that meets the above criteria, City staff shall return to the City Council with a recommendation for contract award. If more than one contractor is offering such a price, City staff shall recommend award of a contract to the proposal that best serves the City's interests, which may or may not be the lowest price proposal.
5. Negotiations shall be limited to only those contractors who agree to participate in the negotiations in accordance with, and abide by, the above parameters.

Staff believes that the process outlined above serves the public interest by providing the best opportunity to obtain a contract that will allow the project to be accomplished with the available funding and within this year's construction window.

SACRAMENTO MARINA
SOUTH BASIN RENOVATION PROJECT
(PN:IA66)



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Map Prepared By
City of Sacramento
Department of Utilities



RESOLUTION NO.

Adopted by the Sacramento City Council

REJECTION OF BIDS, SUSPENSION OF COMPETITIVE BIDDING, AND AUTHORIZATION TO NEGOTIATE A CONTRACT FOR THE SACRAMENTO MARINA SOUTH BASIN RENOVATION PROJECT (PN: IA66).

BACKGROUND

- A. The Sacramento Marina South Basin is 45 years old and in a deteriorated condition.
- B. The Sacramento Marina South Basin Renovation Project was advertised for bidding on November 17, 2006, and three bids were received and opened on January 10, 2007.
- C. The lowest bid exceeded the engineer's estimate and the project fund balance. For this reason, the contract cannot be awarded to the lowest responsible bidder.
- D. The timing of construction of the project is constrained by the Army Corps of Engineers permit that requires all in-water construction activities to occur between August 1st and November 30th. Due to this constraint, revising this project to bring costs down and then re-bidding the contract would very likely delay the project for a year, during which time it is expected that construction costs will continue to escalate.
- E. It is in the City's best interests to avoid this delay and cost escalation. For this reason, staff has recommended that the City Council reject all bids, suspend competitive bidding in the best interests of the City, and authorize staff to negotiate with those of the three bidders who agree to negotiate within specified parameters, to obtain an agreement for construction of the project this year for an amount within the available project funding.
- F. It is in the City's best interests to take these actions so that the project can be accomplished with the available funding and within this year's construction window.

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

- Section 1. The bids received on January 10, 2007 for the Sacramento Marina South Basin Renovation Project (PN: IA66) are rejected.
- Section 2. In the best interests of the City, competitive bidding is suspended for the

Sacramento Marina South Basin Renovation Project.

- Section 3. City staff is authorized and directed to undertake negotiations with those of the three bidders who agree to negotiate within the parameters specified below, to obtain an agreement for construction of the project this year for an amount within the available project funding.
- a. Revisions to the project scope in order to reduce costs will be determined in the sole discretion of the City, and will be limited to consideration of the following potential revisions, unless City staff determines that other revisions that would not reduce the project quality or scope may be acceptable:
 - (1) Use of a concrete deck with a truss supported float system instead of the specified concrete float systems.
 - (2) Elimination of the covers from Dock K including the fire protection system.
 - (3) Reuse instead of replacement the existing fuel dispensing system, the sewer pump out facility and the marina store on the new dock system.
 - (4) Elimination of the replacement of Dock K including the marina store and fuel pumps.
 - b. The contract price negotiated for the project must be less than the low bid already received and within the funding that is available for the contract.
 - c. Negotiations with all participating contractors shall be concluded within two weeks after the date this Resolution is adopted, unless the Director of Utilities extends this time period.
 - d. At the conclusion of negotiations, if at least one contractor is offering a contract price that meets the above criteria, City staff shall return to the City Council with a recommendation for contract award. If more than one contractor is offering such a price, City staff shall recommend award of a contract to the proposal that best serves the City's interests, which may or may not be the lowest price proposal.
 - e. Negotiations shall be limited to only those contractors who agree to participate in the negotiations in accordance with, and abide by, the above parameters.

