



REPORT TO COUNCIL

City of Sacramento

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

Consent
April 10, 2007

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

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

Location/Council District: 4

Recommendation: 1) Adopt a **Resolution** 1) authorizing the City Manager to enter into a loan agreement with Bank of America to secure financing in an amount not to exceed \$1,500,000; 2) authorizing bridge financing from the Community Center Fund in the amount of \$1,475,000 until funds from the State Department of Boating and Waterways becomes available in July 2007; and 3) approving the contract plans and specifications for the Sacramento Marina South Basin Renovation Project (PN: IA66) and awarding the contract to Bellingham Marine Industries for an amount not to exceed \$9,001,745.

Contact: Rebecca Bitter, 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: After competitive bidding, all three bids received for this project exceeded the engineer's estimate and the project fund balance. On February 20, 2007, the City Council rejected all bids, suspended competitive bidding in the best interests of the City, authorized staff to undertake negotiations with the bidders willing to submit revised proposals, and directed staff to return to Council with a recommended contract award. All three bidders submitted revised proposals. After reviewing these proposals, staff recommends that a contract be awarded to Bellingham Marine Industries. Staff's recommendation also includes the funding approvals needed to complete the project.

Policy Considerations: The Council previously rejected bids and suspended competitive bidding to permit award of a negotiated contract as recommended herein. Such action 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.

Section 15162 of the California Environmental Quality Act (CEQA) Guidelines provides that additional environmental analysis is not required unless there are new significant environmental effects, or a substantial increase in previously identified significant effects, due to substantial changes in the project, substantial changes with respect to the project circumstances, or new information of substantial importance to the project becomes known or available. As none of these conditions 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: The total cost for this project, including soft costs, is estimated at \$10,500,000. Through CM Agreement 2005-307 and subsequent amendments to that agreement, the City is the recipient of a loan from the State Department of Boating and Waterways in the amount of \$9,000,000 (\$850,000 in Phase I, \$5,150,000 in Phase II, \$500,000 in Phase III, \$1,025,000 in Phase IV, and \$1,475,000 in Phase V). The annual debt payment for the \$9,000,000 loan would be approximately \$530,000 commencing 8/1/08, with full payment to be paid by the Marina Fund over a thirty year period.

Phase V funding will not become available until fiscal year 2007/08. A bridge loan of \$1,475,000 from the Community Center Fund will be used to finance the project until the Phase V funds become available from the State Department of Boating and Waterways. (Pending state budget adoption in July 2007 and DBAW action in September 2007.)

The remaining \$1,500,000 for the project is needed to cover engineering costs and contingency. A 10-year loan in that amount is available from the Bank of America. The annual debt payment for the \$1,500,000 loan would be approximately \$166,000, with full payment to be paid by the Marina Fund.

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. Bellingham Marine Industries met the (ESBE) goals with a participation level of 20.5%.

Respectfully Submitted by: 
David L. Brent
Engineering Manager

Approved by: 
Barbara E. Bonebrake
Director, Convention, Culture and Leisure Department

Approved by: 
for Gary A. Reents
Director of Utilities

Recommendation Approved:


for Ray Kerridge
City Manager

Table of Contents:

| | |
|--------------------|-------|
| Report | pg. 1 |
| Attachments | |
| 1 Background | pg. 5 |
| 2 Resolution | pg. 7 |

Background**Authorizing Borrowing, Authorizing Bridge Financing, and Award 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 |

All three bids exceeded the engineer's estimate and the project funds available at that time. On February 20, 2007, the City Council rejected all bids, suspended competitive bidding in the best interests of the City, authorized staff to undertake negotiations with the bidders willing to submit revised proposals meeting specified parameters, and directed staff to return to Council with a recommended contract award.

Pursuant to Council direction, staff requested that each Contractor submit a proposal not to exceed \$8,800,000 with revisions to the project scope in order to reduce costs, limited to consideration of the following potential revisions, unless City staff determined that there were other revisions that would not reduce the project quality or scope:

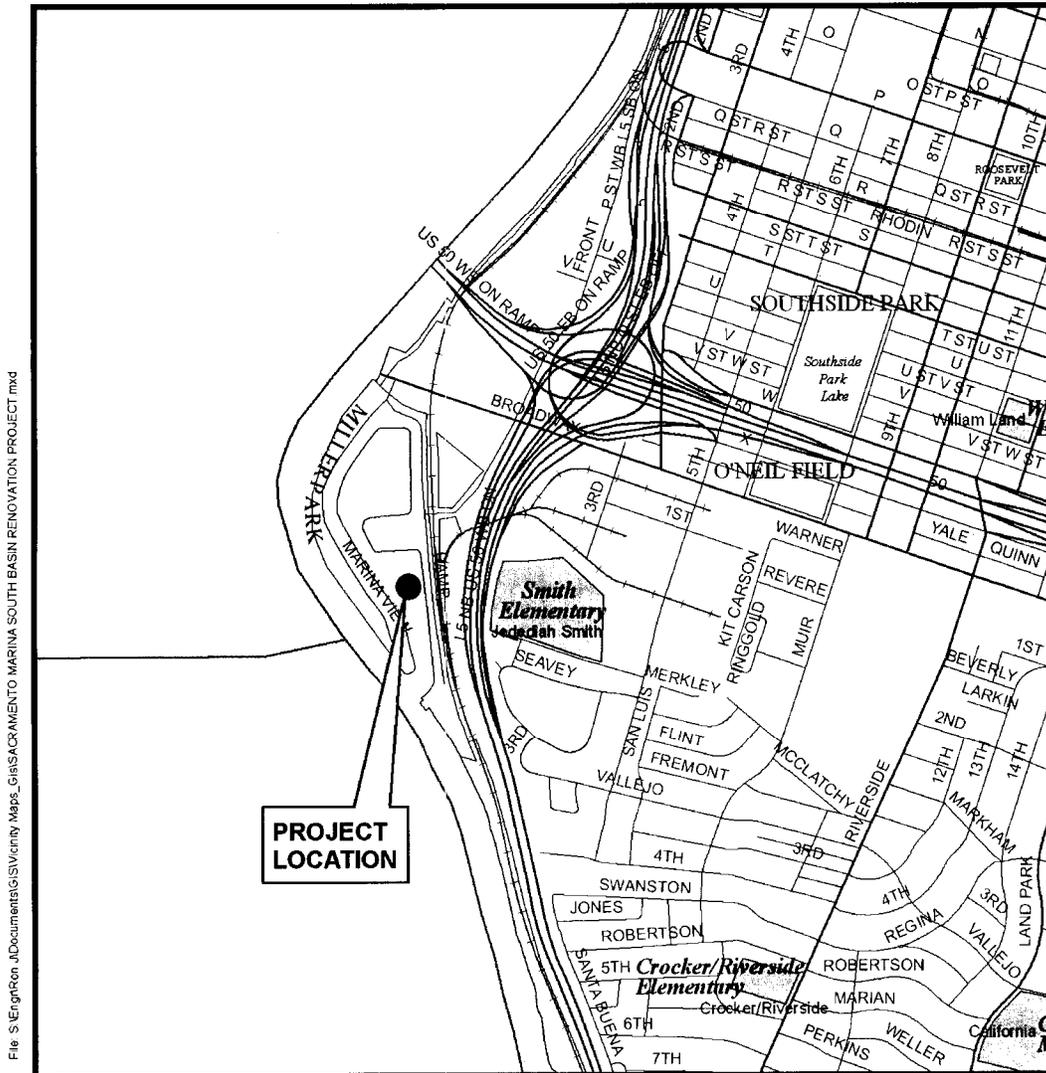
- a. Use of a concrete deck with a truss supported float system instead of the specified concrete float systems.
- b. Elimination of the covers from Dock K including the fire protection system.
- c. Reuse instead of replacement the existing fuel dispensing system, the sewer pump out facility and the marina store on the new dock system.
- d. Elimination of the replacement of Dock K including the marina store and fuel pumps.

All three Contractors submitted proposals. After reviewing the proposals, City staff recommends award of a contract to Bellingham Marine Industries. Bellingham's proposal proposed value engineering changes to the electrical design, pile type,

Sacramento Marina South Basin Renovation Project (PN: IA66) April 10, 2007
dredging, landside work, and float dock system that did not reduce the project quality or scope, but otherwise provided everything that was in the original project. The other proposals submitted proposed more extensive reductions in the project scope, including eliminating covers and fire sprinklers on K dock, and the reuse of the existing marina store, fuel pumps, sewer pump out and existing store/fuel dock float. In addition, because Bellingham's proposal kept the project virtually intact, staff was able to add two alternate bid items to the package, the North Basin-South Basin connector dock, and dock covers on 14 end slips on the North Basin, for \$213,045 over their proposal of \$8,788,700.

For these reasons, staff believes that the Bellingham proposal best serves the City's interests, and provides 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

Authorizing Borrowing and Bridge Financing, and Awarding 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.
- 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 have delayed the project for a year, during which time it was expected that construction costs would continue to escalate.
- E. In order to avoid this delay and cost escalation, on February 20, 2007, City Council adopted Resolution No. 2007-113 that rejected all bids, suspended competitive bidding in the best interests of the City, and authorized staff to negotiate an agreement for construction of the project this year for an amount within the available project funding.
- F. City staff subsequently requested that each Contractor submit a proposal with revisions to the project scope in order to reduce costs, consistent with the parameters specified in Resolution No. 2007-113. All three Contractors submitted proposals.
- G. After reviewing the proposals, City staff has recommended award of a contract to Bellingham Marine Industries. Bellingham's proposal proposed value engineering changes to the electrical design, pile type, dredging, landside work, and float dock system that will not reduce the project quality or scope, but otherwise provide everything that was in the original project. The other proposals submitted proposed more extensive reductions in the project scope, including eliminating covers and fire sprinklers on K dock, and the reuse of the existing marina store, fuel pumps, sewer pump out and existing store/fuel dock. In addition, because

Bellingham's proposal kept the project virtually intact, staff was able to add two alternate bid items to the package, the North Basin-South Basin connector dock, and dock covers on 14 end slips on the North Basin, for \$213,045 over their proposal of \$8,788,700.

- H. For the above reasons, the Bellingham Marine Industries proposal best serves the City's interests, and provides 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.

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

- Section 1. City Manager is authorized to enter into a loan agreement with Bank of America to secure additional financing of up to \$1,500,000 to cover engineering costs and contingency.
- Section 2. City staff is authorized to use bridge financing from the Community Center Fund in the amount of \$1,475,000 if necessary until the final loan phase funds from Department of Boating and Waterways are available in fiscal year 2007/08.
- Section 3. The contract plans and specifications for the Sacramento Marina South Basin Renovation Project (PN: IA66) are approved, and the contract is awarded to Bellingham Marine Industries, Inc., for an amount not to exceed \$9,001,745.