REPORT TO COUNCIL
City of Sacramento

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

Consent
May 22, 2007

Honorable Mayor and
Members of the City Council

Title: Contract Award: Combined Wastewater Treatment Plant (CWTP) Motor Control Center (MCC) "F" Replacement Project (PN: XN36) (2/3 Vote Required)

Location/Council District: 1391 35th Avenue (see Attachment 2)/Council District 4

Recommendation: Adopt a **Resolution** 1) Rejecting the one bid received for the CWTP Motor Control Center "F" Replacement Project (PN: XN36); 2) suspending competitive bidding for the project (2/3 vote required); 3) approving the contract plans and specifications for the project; and 4) authorizing the City Manager to execute a negotiated contract for the Project with Interstate Construction for an amount not to exceed $535,577.

Contact: David L. Brent, Engineering Manager, 808-1420, or David K. Hansen, Supervising Engineer, 808-1421.

Presenters: Not applicable

Department: Utilities

Division: Engineering Services

Organization No: 3332

Description/Analysis

Issue: The City received only one bid for this project. The bid amount significantly exceeded both the engineer's estimate and the project fund balance. Subsequent negotiations with the bidder resulted in a reduction of the bid price to $535,577. This amount would allow this project to be constructed with the available project budget. In order to award a contract for such reduced bid amount, it is necessary for the City Council to reject the bid received and suspend competitive bidding based on a finding that this is in the City's best interests. City staff believes that these actions serve the City's best interests because this will enable the project to be accomplished within the available funding and within this year's construction window. For this reason, City staff recommends that the City Council reject all bids, suspend competitive bidding in the best interests of the City, and authorize the City Manager to execute a negotiated contract with Interstate Construction for an amount not to exceed $535,577.

Policy Considerations: The rejection of all bids and suspension of competitive

bidding is authorized under Chapter 3.60 of the City Code.

Environmental Considerations: The Planning Services Division, Environmental Section, has reviewed the project and has determined that this project is exempt from CEQA under Section 15301(b) of the CEQA Guidelines (minor alteration of public utility facilities involving no expansion of use). A notice of categorical exemption will be filed with the County Clerk after City Council award of the project.

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

Financial Considerations: The negotiated amount is for a not to exceed amount of $535,577. There is sufficient funds available in the CWTP Motor Control Center "F" Replacement Project (PN: XN36, Fund 414) to award the construction contract and complete the project for the negotiated amount.

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. Interstate Construction met the (ESBE) goal with a participation level of 21.32%.

Respectfully Submitted by: _____
David L. Brent
Engineering Manager

Approved by: _____
for Gary A. Reents
Director of Utilities

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

Background

The Combined Wastewater Treatment Plant (CWTP) is a critical combined wastewater storage and treatment facility operated by the Department of Utilities. During large storm events, the facility is operated to treat combined sewage and prevent flooding within the combined sewer area. This facility was originally built in 1954 and the existing electrical equipment is obsolete and parts are difficult to obtain and maintain. This project will replace the outdated Motor Control Center "F" which is one of several motor central centers throughout the facility.

The project was competitively bid, and the City Clerk received and opened only one bid on April 18th, 2007, as follows:

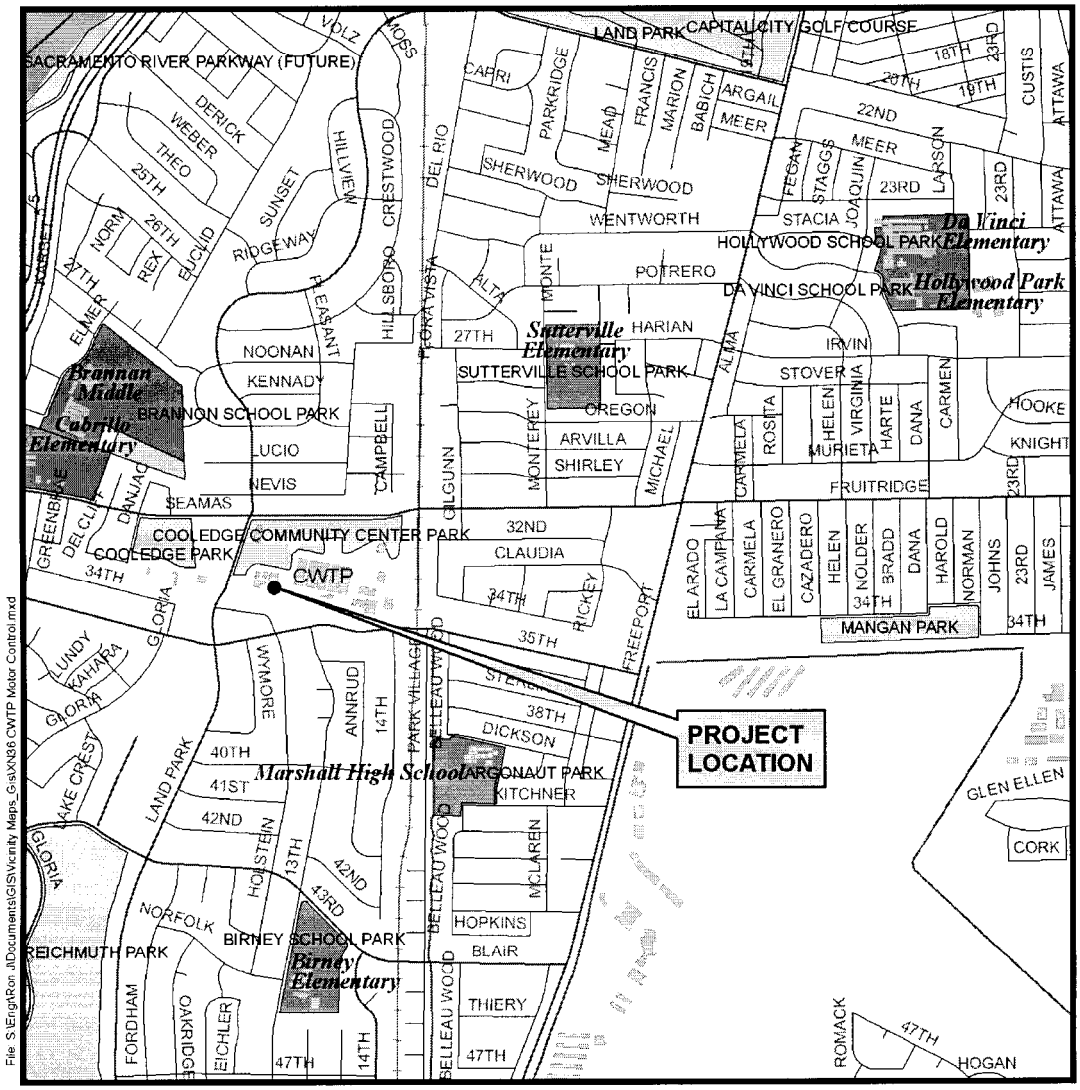
Contractor	Bid Amount
Interstate Construction	$635,577

This bid significantly exceeded the Engineer's estimate of $469,000, and there currently are insufficient funds available to award the contract and complete the project at that price.

City staff has negotiated with the low bidder, Interstate Construction, who has agreed to perform the work as originally specified for a reduced amount of $535,577, if authorized by the City Council.

ATTACHMENT 2

CWTP MOTOR CONTROL CENTER
"F" REPLACEMENT PROJECT
(PN: XN36)



Map Prepared By
City of Sacramento
Department of Utilities

RESOLUTION NO.

Adopted by the Sacramento City Council

REJECT BID, SUSPEND COMPETITIVE BIDDING AND AWARD CONTRACT FOR THE COMBINED WASTEWATER TREATMENT PLANT (CWTP) MOTOR CONTROL CENTER "F" REPLACEMENT PROJECT (PN: XN36)

BACKGROUND

A. The CWTP Motor Control Center "F" Replacement project will update part of the electrical system of the facility which will improve reliability and reduce maintenance costs.

B. The project was competitively bid, and the City Clerk received and opened only one bid on April 18th, 2007.

C. The one bid received significantly exceeded the engineer's estimate and project fund balance, so that a contract cannot be awarded for the bid price.

D. Subsequent negotiations with the bidder resulted in a reduction of $100,000 of the bid price. The negotiated amount of $535,577 would allow this project to be constructed with the available funding. In order to award a contract for such reduced bid amount, it is necessary for the City Council to reject the bid received and suspend competitive bidding based on a finding that this is in the City's best interests.

E. These actions would serve the City's best interests because this will enable the project to be accomplished with the available project budget 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 bid received for the CWTP Motor Control Center "F" Replacement Project (PN: XN36) is rejected.

Section 2. In the best interests of the City, competitive bidding is suspended for this Project.

Section 3. The contract plans and specifications for the CWTP Motor Control Center "F" Replacement Project (PN: XN36) are approved, and the City Manager is authorized to execute a negotiated contract for the Project with Interstate Construction for an amount not to exceed $535,577.