



CITY OF SACRAMENTO

DEPARTMENT OF ENGINEERING
915 I STREET SACRAMENTO, CALIFORNIA 95814
CITY HALL ROOM 207 TELEPHONE (916) 449-5281

CITY MANAGER'S OFFICE
RECEIVED
AUG 13 1980

R. H. PARKER
CITY ENGINEER
J. F. VAROZZA
ASSISTANT CITY ENGINEER

F/Ref. cc 3177/2178

August 13, 1980

City Council
Sacramento, California

Honorable Members in Session

SUBJECT: Northgate & Oki Park Swimming Pools
Report on Bids

SUMMARY

The subject project, as part of the City's Capitol Improvement Program, has been advertised for bids. Bids have been received and the City Engineer recommends that this report be filed, pending recommendation of bid award at a later date.

BACKGROUND

On July 15, 1980, the City Council approved contract documents for Northgate & Oki Park Swimming Pools. Bids were received and opened by the City Clerk in the Council Chambers on August 12, 1980. The bids received are as follows:

	Base Bid	Deductive Alternate #1 Concrete Coving
Max D. Schenk, Inc.	\$ 991,800	\$ 3,150
Holdener Construction	998,800	17,000
Harold J. Younger, Inc.	1,178,000	13,000
Kaufman Construction Co.	1,315,994	1,250

The engineer's estimate for this project was \$910,000. Low base bid is 8.9% over the engineer's estimate.

City Council
Office of the City Clerk

AUG 19 1980

FINANCIAL

There is \$1,145,334 budgeted for this project in the Capitol Improvement Program.

RECOMMENDATION

The City Engineer recommends that this report be filed, and that recommendation on award be made at a later date.

Respectfully submitted,



R.H. Parker
City Engineer

RECOMMENDATION APPROVED


Walter J. Slipe
Walter J. Slipe, City Manager

August 19, 1980
Districts #1 & #6

ESTABLISHED 1912

HCCO

AN EQUAL OPPORTUNITY EMPLOYER

HOLDENER CONSTRUCTION COMPANY
GENERAL CONTRACTORS

August 12, 1980

Mr. Douglas Pope
Johnson, Pope & Owen
Attorneys at Law
926 J Street
Sacramento, California 95814

Re: Northgate and Oki Park Swimming Pools

Dear Doug,

At 10:00 a.m. today, bids were received by the City of Sacramento on the above mentioned project. The apparent low bidder was Max D. Schenk, Inc., from Fairfax, California, with a base bid of \$991,800.00 and deductive alternate #1 of \$3150.00. Our firm was second, with a bid of \$998,800.00 and deductive alternate #1 being \$17,000.00. As you can see, the bids were very close and if the Council decides to take the alternate our firm would be low bidder.

There are several reasons for this letter:

1. The apparent low bidder (Schenk) did not comply with the Instructions to Bidders (copy enclosed) in that he did not list all the subcontractors used as required by provisions of Sections 4101 to 4107, inclusive, of the Government Code of the State of California. There was no subcontractor listing for structural steel work and/or chain link fencing. The value of that work was \$65,000.00 and \$25,778.00 respectively. Each of those portions of work are well over $\frac{1}{2}$ of 1% of the prime contractors total bid. As spelled out in the Instructions to Bidders, "If a contractor fails to specify a subcontractor or if a contractor specifies more than one subcontractor for the same portion of the work to be performed under the Contract in excess of $\frac{1}{2}$ of 1% of the Contractor's total bid, he agrees to perform that portion himself." The Council, as we see it, must either reject the bid or force Max D. Schenk to perform those portions of the work himself.

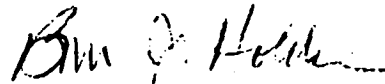
2. Funds for these pools were derived from General Revenue Sharing, Park Development Fund and AB8. It seems to us that in the spirit of Proposition 13 and most recently Proposition 4, that it would be most prudent on the Council's part to opt for the alternate bid. The alternate will have no substantial effect on the quality of the pools but instead will remove some of the "gingerbread", so to speak. The alternate merely changes the coping material around the perimeter of the pool from stainless steel to the more common application of pre-cast concrete coping.

August 12, 1980
Page Two

3. The last item of concern is that we feel that since a portion of the money comes from local sources (Park Development Fund) that it would seem advantageous to award to a local contractor. We have been doing business in Sacramento since 1912 and feel that we are a part of Sacramento and its heritage. We live and work in the County of Sacramento as do all of our employees and thus money earned here is spent here. We feel that serious consideration should be given to this point.

We appreciate the fact that you may reserve the right to reject any and all bids or to waive any informality in any bid received, but feel that there is more than formality involved in this proposal. We hope you would reject the bid of Max D. Schenk on this project and would appreciate your support on this matter. We look forward to your reply.

Very truly yours,
HOLDENER CONSTRUCTION COMPANY



Brian J. Holdener
Vice President

BJH:bb

xc: Phillip Isenberg, Mayor
Anne Rudin
Lloyd Connelly
Blain Fisher
John Roberts
Daniel Thompson
Thomas Hoerber
Lynn Robie

INSTRUCTIONS TO BIDDERS

Page 2

PREPARATION OF PROPOSAL

Proposals must be submitted on the unaltered forms furnished by the City, a copy of which is bound with the Project Manual. The Proposal must be in ink which is clearly legible and must be properly executed and signed. Signatures of all persons signing must be in longhand, with name typed below signature. Proposals submitted by corporation must be signed by a duly authorized officer, and the name of the State of incorporation must be indicated. Numbers shall be stated both in writing and in figures.

PROPOSAL GUARANTEE

The proposal shall be accompanied by a corporate surety bond in the form hereinafter set forth, or by a certified check on a solvent bank of the State of California, made payable on sight to the Finance Director, the City of Sacramento, the amount of which shall be not less than 10% of the base or lump sum bid for the proposed work. No proposal will be considered unless accompanied by such bond or check.

When proposals have been received and reviewed by the City, all bonds and checks will be returned to the respective bidders except those submitted by the two lowest responsible bidders, which checks will be returned after the Contract has been awarded and subsequently the successful bidder has executed the agreement and filed satisfactory bonds and proof of insurance as specified, or after all proposals have been rejected if no award is made. The proceeds of such bond or check will be retained by the City as damages should such bidder fail to enter into said contract within the specified time, unless the City, by resolution, approves the return of said bond or check.

PERFORMANCE AND PAYMENT BONDS

The successful bidder will be required to furnish a Payment Bond in the amount equal to one hundred percent (100%) of the Contract Price, and a Faithful Performance Bond in an amount equal to one hundred percent (100%) of the Contract Price. Said bonds to be secured from a surety company satisfactory to the City of Sacramento and shall be furnished to the City of Sacramento simultaneously with delivery of the signed contract.

SUBCONTRACTORS

Names of subcontractors that the Bidder proposes to use on the work must be listed in the space provided in the Sub-Bidder Form, pursuant to the provisions of Sections 4101 to 4107, inclusive, of the Government Code of the State of California.

These sections require, among other things, that the Contractor, in submitting his bid, must show the following:

- A. The name and location of the place of business of each subcontractor who will perform work or labor or render service to the Contractor in or about the construction of the work or improvement in an amount in excess of 1/2 of 1% of the prime Contractor's total bid.

- B. The portion of the work which will be done by each such subcontractor. The Contractor shall list only one subcontractor for each portion as is defined by the Contractor in his bid. If a Contractor fails to specify a subcontractor or if a Contractor specifies more than one subcontractor for the same portion of the work to be performed under the Contract in excess of 1/2 of 1% of the Contractor's total bid, he agrees to perform that portion himself.

OPENING OF BIDS

Bids will be opened and read aloud publicly at the time and place set forth in the advertised "Notice to Contractors". Bidders or their authorized representatives may be present at the opening of bids.

AWARD OF CONTRACT

In accordance with Section 58.102 of the City Code, the Council shall at any time within sixty (60) days after the date set for the opening of bids, either award the Contract or reject all bids.

EXECUTION OF CONTRACT

No Contract is binding upon the City until its has been executed on behalf of the City by the City Manager, attested by the City Clerk.

The individual, firm, partnership, joint venture, or corporation to whom or to which the Contract has been awarded shall sign the necessary Agreements entering into the Contract and shall furnish the surety bonds required within ten (10) calendar days after the award of the Contract by the City Council. A sample form of Agreement is included with the Project Manual.

Failure to comply with any of the requirements of these Instructions to Bidders, to execute the Contract as prescribed, or to furnish security as set forth, might be cause for the annulment of the award. In the event of an annulment of the award because of such failure to comply by the Bidder, the Proposal Guarantee shall become the property of the City, not as a penalty, but as liquidated damages. Award may then be made to the next best qualified bidder, or the work may be readvertised, as determined by the Council.

The successful bidder shall not, without the written consent of the subcontractor listed and the City Engineer, substitute any person as subcontractor in place of the subcontractor listed in the Sub-Bidder Form.

DELIVERY OF PROPOSAL

The Proposal must be delivered to the City Clerk by the time set forth in the Notice to Contractors. The proposal must be enclosed in the envelope provided by the City Clerk for that purpose. The envelope must be marked on the outside as indicated in the Notice to Contractors, and the envelope must be sealed.