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CITY MANAGER'S OFFICE  
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SEP 28 1988

DEPARTMENT OF  
GENERAL SERVICES

CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE DIRECTOR

5730 - 24TH STREET  
BUILDING FOUR  
SACRAMENTO, CA  
95822-3699

916-449-5548

DIVISIONS:

COMMUNICATIONS  
FACILITY MANAGEMENT  
FLEET MANAGEMENT  
PROCUREMENT SERVICES

September 26, 1988

City Council  
Sacramento, California

Honorable Members In Session:

SUBJECT: REJECTION OF BIDS FOR THE  
24TH STREET REFUELING FACILITY (BA66)

SUMMARY

This report requests that the one qualified bid received for this project be rejected and the project re-bid.

BACKGROUND

On July 12, 1988 the City Council adopted plans and specifications calling for bids to be received on August 2, 1988. Walton Engineering and Town and Country Contractors were the only bids received, with Walton Engineering representing the only responsive bid.

At the onset of this project, four firms (Walton Engineering, Mitchell Construction, Fillner Construction and Peters Engineering) each experienced with design of petroleum facilities, were invited to submit proposals for design and development of plans and specifications for this project. Only Walton Engineering and Mitchell Construction submitted proposals, the remaining firms declined. Walton Engineering's proposal was accepted and they were awarded the contract for preparation of plans and specifications.

City Council  
September 26, 1988  
Page Two

Pre-bid conferences were held on July 20th and July 26, 1988 with a total of six firms in attendance. Fillner Construction Inc., along with other firms, took exception with allowing Walton Engineering to bid on construction since they were responsible for preparation of the plans and specifications for the project.

Walton Engineering submitted a bid of \$529,300.00, exceeding their own construction estimate supplied prior to bidding of \$351,000.00. Concerned with the large variance in cost, staff hired Spink Corporation, familiar with petroleum facilities and government bidding procedures, to prepare an independent cost estimate, and evaluate the original construction estimate prepared by Walton Engineering. Spink Corporation estimated construction cost at \$367,000.00 which is \$16,000.00 above Walton Engineering's original estimate.

#### CONCLUSION

It is in the best interest of the City to reject Walton Engineering's bid and not allow them to re-bid on this project in order to attract bids from firms specialized in construction of petroleum refueling facilities.

#### FINANCIAL

The City Council approved \$556,842.00 on July 12, 1988 for design and construction of the refueling facility. Based on Spink Corporation's construction cost estimate of \$367,000.00 there are currently sufficient funds available to complete this project.

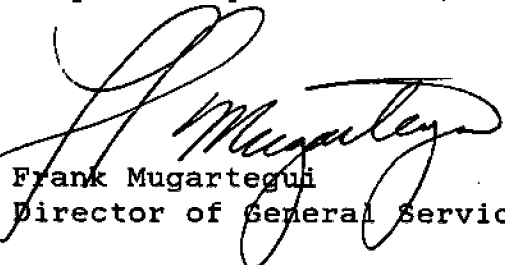
#### RECOMMENDATIONS

It is recommended that the City Council adopt the attached Resolution that provides for:

1. Rejection of bids received from Walton Engineering on August 2, 1988;

City Council  
September 26, 1988  
Page Three

- 2. Exclude Walton Engineering from bidding on general construction of this project;
- 3. Authorize re-issuance of the previously adopted plans and specifications at no cost to interested firms; and
- 4. Call for bids to be received on November 3, 1988.

Respectfully submitted,  
  
 Frank Mugartegui  
 Director of General Services

Recommendation Approved:

*for: Solon Wilson Jr.*  
 \_\_\_\_\_  
 Walter J. Slipe, City Manager

October 4, 1988  
District 7

Note: Questions regarding this report should be referred to David Morgan, Project Manager, Facility Management Division, 449-5977.

*Amended*

**RESOLUTION No. 88-855**

**Adopted by The Sacramento City Council on date of**

**OCT 4 1988**

**RESOLUTION REJECTING BIDS RECEIVED ON THE  
24TH STREET REFUELING FACILITY AND CALL  
FOR NEW BIDS**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:**

1. Rejection of bid received by Walton Engineering on August 2, 1988;
2. Authorize re-issuance of the previously adopted plans and specifications at no cost to interested firms;
3. Call for bids to be received on November <sup>1</sup>/<sub>2</sub>, 1988, and
4. In the event that less than three responsive bids are received or if for any reasons, the City elects to reject all bids, then the City Council hereby states its intention to waive competitive bidding and construct the facility using a combination of City forces and outside contractors.

**ANNE RUDIN**

**MAYOR**

**ATTEST:**

**ANNE J. MASON**

**ACTING CITY CLERK**

**RESOLUTION 88-855**

**OCT 4 1988**

**RESOLUTION No.**

Adopted by The Sacramento City Council on date of

**RESOLUTION REJECTING BIDS RECEIVED ON THE  
24TH STREET REFUELING FACILITY  
AND CALL FOR NEW BIDS**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. Rejection of bid received by Walton Engineering on August 2, 1988;
2. Exclude Walton Engineering from bidding on general construction work for this project;
3. Authorize re-issuance of the previously adopted plans and specifications at no cost to interested firms; and
4. Call for bids to be received on November 1, 1988.

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MAYOR

ATTESTS:

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CITY CLERK



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CITY CLERK'S OFFICE  
CITY OF SACRAMENTO

AUG 26 @ 45 PM '88

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TO CONTINUED from 8-30-88  
9-6-88

DEPARTMENT OF  
GENERAL SERVICES  
  
OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO  
CALIFORNIA

5730 - 24TH STREET  
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DIVISIONS:

COMMUNICATIONS  
FACILITY MANAGEMENT  
FLEET MANAGEMENT  
PROCUREMENT SERVICES

24

August 24, 1988

TO CONTINUED from 9-6-88  
9-13-88

City Council  
Sacramento, California

TO CONTINUED from 9-13-88  
9-20-88

Honorable Members In Session:

SUBJECT: REJECTION OF BIDS FOR THE  
24TH STREET REFUELING FACILITY (BA66)

TO CONTINUED from 9-20-88  
9-27-88

SUMMARY

This report requests that the one qualified bid received for this project be rejected and the project re-bid.

BACKGROUND

On July 12, 1988 the City Council adopted plans and specifications calling for bids to be received on August 12, 1988. Walton Engineering and Town and Country Contractors were the only bids received, with Walton Engineering representing the only responsive bid.

At the onset of this project, four firms (Walton Engineering, Mitchell Construction, Fillner Construction and Peters Engineering) each experienced with design of petroleum facilities, were invited to submit proposals for design and development of plans and specifications for this project. Only Walton Engineering and Mitchell Construction submitted proposals, the remaining firms declined. Walton Engineering's proposal was accepted and they were awarded the contract for preparation of plans and specifications.

Pre-bid conferences were held on July 20th and July 26, 1988 with a total of six firms in attendance. Fillner Construction Inc., along with other firms, took exception with allowing Walton Engineering to bid on construction since they were responsible for preparation of the plans and specifications for the project.

Walton Engineering submitted a bid of \$529,300.00, exceeding their own construction estimate supplied prior to bidding of \$351,000.00. Concerned with the large variance in cost, staff hired Spink Corporation, familiar with petroleum facilities and

TO CONTINUED from 9-27-88  
10-4-88

City Council  
August 24, 1988  
Page Two

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government bidding procedures, to prepare an independent cost estimate, and evaluate the original construction estimate prepared by Walton Engineering. Spink Corporation estimated construction cost at \$367,000.00 which is \$16,000.00 above Walton Engineering's original estimate.

CONCLUSION

It is in the best interest of the City to reject Walton Engineering's bid and not allow them to re-bid on this project in order to attract bids from firms specialized in construction of petroleum refueling facilities.

FINANCIAL

The City Council approved \$556,842.00 on July 12, 1988 for design and construction of the refueling facility. Based on Spink Corporation's construction cost estimate of \$367,000.00 there are currently sufficient funds available to complete this project.

RECOMMENDATIONS

It is recommended that the City Council adopt the attached Resolution that provides for:

1. Rejection of bids received from Walton Engineering on August 2, 1988;
2. Exclude Walton Engineering from bidding on general construction of this project;
3. Authorize re-issuance of the previously adopted plans and specifications at no cost to interested firms; and
4. Call for bids to be received on September 20, 1988.

Respectfully submitted,

*Frank Mugartegui*

for Frank Mugartegui  
Director of General Services

Recommendation Approved:

*Walter J. Slize*  
Walter J. Slize, City Manager

August 30, 1988  
District 5

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**RESOLUTION No.**

Adopted by The Sacramento City Council on date of

**RESOLUTION REJECTING BIDS RECEIVED ON THE  
24TH STREET REFUELING FACILITY  
AND CALL FOR NEW BIDS**

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MAYOR

ATTESTS:

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CITY CLERK





*[Handwritten scribbles and the number 27]*

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GENERAL SERVICES  
  
OFFICE OF THE DIRECTOR

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CALIFORNIA

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PROCUREMENT SERVICES

August 24, 1988

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City Council  
Sacramento, California

Honorable Members In Session:

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City Council  
August 24, 1988  
Page Two

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4. Call for bids to be received on September 20, 1988.

Respectfully submitted,

*Frank Mugartegui*  
 Frank Mugartegui  
 Director of General Services

Recommendation Approved:

*Walter J. Slips*  
 \_\_\_\_\_  
 Walter J. Slips, City Manager

August 30, 1988  
District 5

~~44~~  
44

**RESOLUTION No.**

Adopted by The Sacramento City Council on date of

**RESOLUTION REJECTING BIDS RECEIVED ON THE  
24TH STREET REFUELING FACILITY  
AND CALL FOR NEW BIDS**

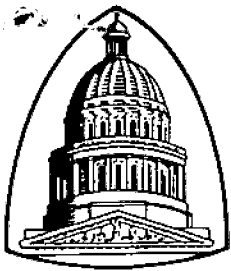
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2. Exclude Walton Engineering from bidding on general construction work for this project;
3. Authorize re-issuance of the previously adopted plans and specifications at no cost to interested firms; and
4. Call for bids to be received on September <sup>20</sup>~~28~~, 1988.

\_\_\_\_\_  
MAYOR

ATTESTS:

\_\_\_\_\_  
CITY CLERK



# Sacramento Builders' Exchange, Inc.

1331 T STREET • P.O. BOX 1462 • SACRAMENTO, CALIFORNIA 95807  
TELEPHONE 916/442-8991

RECEIVED  
CITY CLERK'S OFFICE  
CITY OF SACRAMENTO  
AUG 22 7 59 AM '88  
44  
cc: Jim J.  
Larry L.  
Duane Wray

August 19, 1988

The Sacramento City Council  
City Hall, Room 205  
915 "I" Street  
Sacramento, CA 95814

Re: Communication by Fillner Construction Concerning the 24th  
Street Corporation Yard Fueling Facility Project

Honorable Members in Session:

On behalf of the Sacramento Builders' Exchange Board of Directors, I wish to express the Builders' Exchange's support for Fillner Construction and the other construction firms who have taken issue with the City's bidding practice concerning the 24th Street Corporation Yard Fueling Facility Project.

We strongly believe that on public construction projects the architect and contractor must remain separate entities.

The architect should represent the owner and have the owner's best interest in mind during the design and construction of a project. On public projects where the architect and contractor are one and the same, the protection of the public's interest is severely weakened. In this situation the best interests of the owner's designated representative and the builder can become convoluted, and as a policy, this potential for conflict of interest should be eliminated.

Awarding a public contract through competitive bidding is probably the most effective manner in which the public interest can be safeguarded. Architectural/Engineering firms should not be allowed to both build and design public works projects.

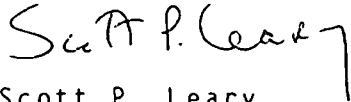
The public and private industry is best served when these two entities remain exclusive of one another.



"SERVING THE CONSTRUCTION INDUSTRY OVER 85 YEARS"

Thank you very much for your consideration in this matter. The Sacramento Builders' Exchange is committed to working with the City of Sacramento in whatever capacity we can to ensure that our relationship is beneficial to the community.

Very truly yours,

A handwritten signature in cursive script that reads "Scott P. Leary". The signature is written in dark ink and is positioned above the typed name.

Scott P. Leary  
Governmental & Service Relations

cc: Dwayne Wray, Facility Management  
Ron Davis, Fillner Construction

SPL/mm