

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	07/23/18	Open	Action	07/16/18

Subject: Delegating Authority to the General Manager/CEO to Release an Invitation to Bid and Award a Contract for Environmental Remediation at 2200 Cemo Circle

ISSUE

Whether or not to delegate authority to the General Manager/CEO to release an Invitation to Bid (ITB) and award a contract for environmental remediation work at 2200 Cemo Circle.

RECOMMENDED ACTION

Adopt Resolution No. 18-07____, Delegating Authority to the General Manager/CEO to Release an Invitation to Bid and Award a Contract for Environmental Remediation Work at 2200 Cemo Circle to the Lowest Responsive and Responsible Bidder.

FISCAL IMPACT

Budgeted:	\$500,000	This FY:	\$	500,000
Budget Source:	Capital	Next FY:	\$	n/a
Funding Source:	Sale Proceeds	Annualized:	\$	n/a
Cost Cntr/GL Acct(s) or Capital Project #:	M011, Cemo Environmental Remediation	Total Amount:	\$	500,000
Total Budget:	\$ 500,000			

DISCUSSION

In January 2015, the Sacramento Regional Transit (SacRT) Board of Directors declared property located at 2200 Cemo Circle in the Gold River section of the County of Sacramento as surplus. SacRT subsequently entered into a Purchase and Sale Agreement (PSA) with USA Properties Fund, Inc. (Buyer) in July 2015. During the Buyer's investigation of the property, soil contamination was discovered and Buyer terminated the PSA.

SacRT subsequently contracted with Geocon Consultants, Inc. to perform additional testing of soil samples and determined the full scope of the environmental contamination. The Phase II Environmental Site Assessment determined lead soil contamination was present at concentrations exceeding regulatory screening levels for residential land use.

SacRT and Buyer entered into a new PSA with a number of contingencies addressing the environmental contamination. Under the terms of the new PSA, SacRT must complete remediation of the site prior to the close of escrow and obtain a letter of No Further Action (NFA) from the appropriate government regulators.

Approved:

Presented:

Final 07/17/18

General Manager/CEO

Manager, Real Estate

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After multiple rounds of additional soil testing in March 2016 and January 2018, Geocon formulated a Lead-Impacted Soil Removal Workplan and submitted it to the County of Sacramento Environmental Management Department (EMD). The EMD was satisfied with the scope of testing conducted by Geocon and approved the soil removal workplan on April 16, 2018.

Though SacRT is responsible for completing the work prior to close of escrow, the Buyer has agreed to make deposits of no more than \$550,000 to fund the costs of the remediation work from the eventual sale proceeds. To date, the Buyer has made deposits totaling \$450,000 and is required to deposit additional funds if the balance in escrow is below \$10,000. In the event that the remediation work exceeds \$550,000, Buyer may elect to terminate the PSA or fund the additional remediation costs at its sole expense.

Both SacRT and Buyer have a vested interest in completing the remediation work and closing the sale of this property in a timely manner. Because of the potential for delays by requesting permission from the Board to release the ITB and then returning at a future Board meeting to request a delegation of authority to award the contract, and in an effort to increase efficiencies, Staff is requesting the Board authorize the release of the ITB and delegate authority to the General Manager/CEO to award a contract to the bidder deemed to be the lowest responsive and responsible bidder.

Staff recommends the Board delegate authority to the General Manager/CEO to release an Invitation to Bid and award a Contract for Environmental Remediation work at 2200 Cemo Circle to the lowest responsive and responsible bidder.

RESOLUTION NO. 18-07-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 23, 2018

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO RELEASE AN INVITATION TO BID AND AWARD A CONTRACT FOR ENVIRONMENTAL REMEDIATION WORK AT 2200 CEMO CIRCLE TO THE LOWEST RESPONSIVE AND RESPONSIBLE BIDDER.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is hereby authorized to release an Invitation to Bid for environmental remediation work for SacRT property at 2200 Cemo Circle; and

THAT, the Invitation to Bid should be executed pursuant to the provisions of the Sacramento Regional Transit District procurement ordinance; and

THAT, the General Manager/CEO is hereby authorized to award and execute a contract for environmental remediation work for SacRT property at 2200 Cemo Circle to the lowest responsive and responsible bidder.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary