

RESOLUTION NO. 220277

FEB 8 1978

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO, CALIFORNIA,
REJECTING ALL BIDS, AND DIRECTING THE CITY CLERK TO GIVE NOTICE
INVITING NEW SEALED BIDS, FOR THE PURCHASE OF IMPROVEMENT BONDS.

(Blackshaw Lane Assessment District)

WHEREAS, the Council adopted a resolution approving a Report of the City Manager under the Municipal Improvement Act of 1913 and Resolution of Intention No. 219864, and providing for a hearing thereon; and

WHEREAS, the Council adopted Resolution No. 219866 directing the Clerk to give notice inviting bids for the purchase of bonds to be issued to represent unpaid assessments; and

WHEREAS, the Council adopted Resolution No. 219867 directing the Purchasing Agent to give notice inviting bids for the construction of the sewer improvements, and, pursuant thereto, bids were received and opened, whereupon it was found that the lowest responsible bid materially exceeded the estimate therefor; and

WHEREAS, pursuant to Resolution No. 219866, bids for the purchase of the bonds were invited, and certain sealed bids therefor were received at the appointed time; and, in light of the material difference between the estimated and actual costs of sewer construction, said bids were not opened; and

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WHEREAS, the Council adopted Resolution No. 220276 declaring its intention to make certain changes in the assessments to reflect the actual costs of sewer construction, and in light thereof, it is desirable to reject said bids for the purchase of the bonds and to invite new bids therefor;

NOW, THEREFORE, BE IT RESOLVED, by the Council of The City of San Diego, as follows:

Section 1. The action of the Purchasing Agent in not opening said sealed bids for the purchase of the bonds is hereby ratified and confirmed; the Council hereby rejects each and all of said bids; and the Purchasing Agent is hereby directed to return said bids to the makers, along with any deposits they may have made.

Section 2. New sealed bids for the purchase of said bonds shall be invited and received at the time and in the manner stated in the following notice. The City Clerk is directed to publish said notice once in The Daily Transcript. Said notice shall be substantially as follows:

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NOTICE INVITING SEALED BIDS
ON 1911 ACT BONDS OF THE
CITY OF SAN DIEGO, CALIFORNIA

(Blackshaw Lane Assessment District)

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Improvement Act of 1913 (commencing with Section 10000, Streets and Highways Code) sealed bids for improvement bonds of The City of San Diego to be issued pursuant to the provisions of the Improvement Act of 1911 (Part 5 of Division 7 of the Streets and Highway Code) are invited and will be taken as herein provided.

TIME AND PLACE FOR FILING AND OPENING OF BIDS. Bids must be sealed and filed with the Purchasing Department, 3rd Floor, City Operations Building, 1222 First Avenue, San Diego, California 92101, up to, but not later than 11:00 a.m., on March 13, 1978. Bids may be delivered personally or mailed to the Purchasing Department at the above address. All bids so filed will be immediately opened, examined and declared by the Purchasing Agent or his designated representative in Conference Room No. 2 on the second floor of said City Operations Building. The Purchasing Agent will thereafter report the results of said bidding to the Council.

BID FORM. Forms of bids for the purchase of the bonds are provided by and may be obtained from the Purchasing Agent.

All bids shall be submitted in substantially the same form as that provided by the Purchasing Agent.

THE PROJECT AND ASSESSMENT DISTRICT. The project generally consists of the widening of, and construction of street, sewer and drainage improvements, in and upon Blackshaw Lane between its westerly termination and South Vista Avenue, in the City of San Diego, and the levy of an assessment against lands in the city to pay a portion of the cost thereof, all as more particularly described in the Report of the City Manager on file in the Office of the City Clerk.

STATUS OF PROCEEDINGS. The Council previously called for bids for the purchase of the bonds, based on the City's estimate of the costs of construction, to be opened on February 7, 1978. The original hearing was scheduled for February 8, 1978. Upon opening the sewer construction bids, it was learned that the lowest responsible bid for sewer construction materially exceeded the estimate therefor. Accordingly, on February 8, 1978, the Council adopted a resolution declaring its intention to amend the assessment to reflect the actual sewer construction cost and set a hearing thereon for March 14, 1978; further, the Council rejected all of the original bids for the bonds and directed their return unopened and directed that this notice be given inviting new bids therefor; and continued all other proceedings to March 14, 1978.

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ESTIMATED ASSESSMENT. The estimated cost of the project as shown on the Report of the City Manager, as amended to reflect the lowest responsible bid for sewer construction received by the City, is:

Construction	\$183,257.70
Contingencies	<u>16,000.00</u>
Estimated construction total.....	\$199,257.70
Private Engineer	\$ 13,000.00
Incidentals	49,563.50
Rights-of-way	110,000.00
Attorneys' fees	2,377.31
Bond discount	<u>6,667.12</u>
TOTAL PROJECT COST AND EXPENSE...	\$380,865.63
Less City share	<u>262,000.00</u>
TOTAL ESTIMATED COST AND EXPENSE ASSESSED UPON PROPERTY IN ASSESS- MENT DISTRICT	<u>\$118,865.63</u>

Until the confirmation of the diagram and assessment contained in said Report, the Council has the power and reserves the right to make changes in the proposed assessment district, the work, improvements and acquisitions, the assessment and diagram and any other act, determination or provision made, or permitted to be made, by the Council under the Municipal Improvement Act of 1913. Changes may be made in the amount of the assessment, as may be required should the actual costs differ from the foregoing estimates.

HEARING ON REPORT, CONFIRMATION AND RECORDATION OF
ASSESSMENT AND AWARD OF BONDS. The above-mentioned Report and

the proposed assessment contained therein, and proposed changes thereto, have been set for hearing by the Council of the City at 2:00 p.m., on March 14, 1978. Upon the conclusion of the hearing, which may be continued from time to time, the Council, in its discretion, may abandon the proceedings, make changes therein, or may confirm said assessment as filed with the City Clerk or as modified or corrected by the Council. The award of the bonds, if any, will be made following the conclusion of said hearing and the confirmation of said assessment. The assessment will be recorded in the office of the Street Superintendent not later than the day following its confirmation.

DESCRIPTION OF BONDS. The Council has determined that bonds are to be issued under the Improvement Act of 1911. The bonds are to be issued to represent each assessment of \$50 or more remaining unpaid for thirty (30) days after the date of recordation of the assessment. The bonds will be dated not earlier than the thirty-first day after such recordation. The bonds will be serial bonds and will extend over a period ending nine (9) years from the second day of January next succeeding the next September 1st following their date. Pursuant to Section 6464, Streets and Highways Code, the Council has elected to have the redemption provisions of the bonds provide for a premium of five percent (5%) of the unmatured principal of the bonds.

It is expected that the bonds will be dated on or about April 14, 1978. The bonds will be payable in ten (10) annual

installments represented by principal coupons payable on January 2 of the years 1979 to 1988, inclusive. The first interest coupon will represent interest from the date of the bonds to January 2, 1979, and thereafter interest coupons will represent semiannual interest on the unpaid balance.

PRINCIPAL AMOUNT OF BONDS. The principal sums of the individual bonds will vary in amounts. The aggregate principal amount of bonds to be issued cannot, and will not, be determined until after the expiration of thirty (30) days from the date of recording the assessment.

INTEREST RATE. The interest rate may not exceed eight percent (8%), payable semiannually. The interest rate must be a multiple of 1/100th of 1 percent. Only a single interest rate shall be bid for all of the bonds to be issued.

AWARD. The bonds will be sold for cash only. All bids must be for not less than all of the bonds to be issued, and any bid for less than all of the bonds or for varying rates of interest will be rejected. The bonds will be awarded to the highest responsible bidder, considering the interest rate specified and the premium or discount, if any, designated by the bidder. For the purpose only of comparing bids it will be assumed (i) that bonds will be issued in a principal amount equal to the total estimated amount to be assessed upon property within the assessment district referred to above, namely, the sum of \$118,865.63, and (ii) that the bonds will be dated April 14, 1978. The highest

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bid will be determined by deducting the premium from, or adding the discount to, the total amount of interest which would be required to be paid from the date of the bonds on the decreasing balances thereof to January 2, 1988, at the coupon rate specified in the bid. The award will be made on the basis of the lowest net interest cost. If there shall be tie bids, the best bid will be determined by lot.

TIME OF AWARD. The City will take action awarding the bonds or rejecting the bids not later than 72 hours after the time above-specified for the filing of bids; provided, that the award may be made after the expiration of such time if the successful bidder shall not have given the Council notice in writing of the withdrawal of his bid.

GOOD FAITH CHECK. A certified or cashier's check on a responsible bank or trust company in the amount of \$10,000.00, payable to the order of the City must accompany each proposal as a guarantee that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The proceeds of the check accompanying any accepted proposal will be applied on the purchase price; provided, that if the successful bidder fails to perform in accordance with the terms of this notice and of his bid said proceeds will then be retained by the City. The check accompanying each unaccepted proposal will be returned promptly.

DELIVERY. Delivery of said bonds will be made to the

successful bidder at the office of the Treasurer, City Administration Building, 202 "C" Street, San Diego, California. It is expected that the bonds will be delivered within 75 days from the date of sale thereof. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Treasurer shall fail to execute the bonds and tender them for delivery within said 75-day period, in which event the successful bidder shall be entitled to the return of the good faith check accompanying his bid, without interest. At the time of delivery the purchaser must pay accrued interest from the date of the bonds to the date of delivery, computed on a 360-day year basis.

LEGAL OPINION; COST OF PRINTING BONDS. The unqualified opinion of Richard A. Burt, attorney, of the firm of GARY, CARY, AMES & FRYE, San Diego, approving the validity of said bonds will be furnished to the successful bidder at or prior to the date of delivery of the bonds, at the expense of the City. The cost of printing the bonds will be borne by the City and will not be payable by the successful bidder.

RIGHT OF REJECTION. The Council reserves the right in its discretion to reject any and all bids and, to the extent authorized by law, to waive any irregularity or informality in bid.

CITY PURCHASE OF BONDS ON PROPERTY OF LOW-INCOME OWNERS. Division 19 (commencing with Section 61.1900) of Article 1, Chapter VI of the San Diego Municipal Code, authorizes the City

Manager, on behalf of the City, to purchase bonds to be issued upon the real property of "low-income owners," as that term is defined therein. Pursuant to Section 61.1911 of the Municipal Code, the City hereby reserves and has the right to purchase any such bonds from the person or persons to whom the bonds are awarded. At any time prior to delivery of the bonds by the City, the City Manager, in his discretion, may purchase any or all such bonds at a purchase price equal to the principal amount of the bonds plus accrued interest from the date of the bonds to the date of bond delivery.

GIVEN BY ORDER of the Council of The City of San Diego,
California, on FEB 8 1978.

CHARLES G. ABDELNOUR
CITY CLERK, THE CITY OF SAN DIEGO,
CALIFORNIA

APPROVED:

JOHN W. WITT, City Attorney

By Paul E. Robinson
Deputy

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Passed and adopted by the Council of The City of San Diego on FEB 8 1978,
 by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Lowery	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fred Schnaubelt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Gade	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Larry Stirling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jess D. Haro	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON
 Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
 City Clerk of The City of San Diego, California.

By Kathleen Martinez Deputy.

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RECEIVED
 CITY CLERK'S OFFICE
 1978 FEB 14 PM 1:33
 SAN DIEGO, CALIF.

Office of the City Clerk, San Diego, California

Resolution Number 220277 Adopted FEB 8 1978