



# CITY OF SAN MATEO

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## Agenda Report

Agenda Number: 8

Section Name: {{section.name}}

Account Number: 82-4681

File ID: {{item.tracking\_number}}

**TO:** City Council  
**FROM:** Alex Khojikian, City Manager  
**PREPARED BY:** Public Works Department  
**MEETING DATE:** February 20, 2024

**SUBJECT:**  
2nd and El Camino Garage and Central Garage Elevator Modernization - Budget Appropriation and Construction Contract

**RECOMMENDATION:**

Adopt a Resolution authorizing a budget appropriation from the Downtown Parking Improvements Project to the Elevator Modernization Project in an amount of \$645,000; approve a construction contract with On Point Construction for construction to improve the elevator controls at the 2nd and El Camino Parking Garage and Central Parking Garage in the amount of \$830,000; establish a contingency reserve in the amount of \$166,000; and authorize the Public Works Director to execute the contract in substantially the form presented and issue change orders within the contingency amount.

**BACKGROUND:**

The current elevator at the 2nd & El Camino Garage was installed in 1991, serves five floors, and has been intermittently out of service for the past three years. The current elevator at the Central Garage was installed in 1999, serves four floors, and has been completely out of service for the past sixteen months. An assessment performed in 2018 recommended that a controls upgrade be implemented at both locations to replace the existing obsolete systems to maintain safe operations.

In October 2021, the City engaged Consolidated CM, Inc. to produce design specifications related to the controls upgrade and other associated improvements as required by the California Building Code. The bid documents for this project were subsequently advertised in October 2023. Bids were received on January 18, 2024, with the following results:

Company	Bid Amount
On Point Construction	\$830,000
Ultimate Construction, Inc.	\$939,776

On Point Construction was determined to be the lowest responsive and responsible bidder, but its bid was above the engineer’s estimate of \$700,000. However, the original engineer’s estimate did not include the increase in construction and materials cost in 2023-2024. Therefore, On Point Construction’s bid of \$830,000 is \$130,000 greater than the engineer’s construction base estimate at the time of bidding. Staff had anticipated the increase, accounting for escalation during the budget development phase, and provided sufficient funding to execute the project in 2024. Based on the above, staff recommends the contract be awarded to On Point Construction as the lowest responsive and responsible bidder.

Staff also recommends a 20% contingency because of expected unknown conditions that will be uncovered during construction such as the hydraulic cylinders, which will be removed, evaluated and possibly replaced. The contingency amount is expected to cover this cost.

**BUDGET IMPACT:**

The Elevator Modernization Project (46F035) currently does not have sufficient capital budget to fund this construction

contract and contingency reserve. Staff recommend the City Council authorize a budget transfer in the amount of \$645,000 from the Downtown Parking Improvements Project (461001) to the Elevator Modernization Project (46F035).

**ENVIRONMENTAL DETERMINATION:**

This project is categorically exempt from CEQA as an “existing facility,” because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. (CEQA Guidelines Section 15301.)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution

Att 2 – Contract

**STAFF CONTACT**

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