



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 10

Section Name: {{section.name}}

Account Number: 10-6143

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TO: City Council
FROM: Alex Khojikian, City Manager
PREPARED BY: Parks and Recreation Department
MEETING DATE: October 07, 2024
SUBJECT: Central Park Phase 1 Playground Improvements Project – Bid Rejection

RECOMMENDATION:

Adopt a Resolution to reject all bids received for the Central Park Phase 1 Playground Improvements Project; and authorize the Parks and Recreation Director to negotiate a contract directly with Suarez & Munoz Construction, Inc.

BACKGROUND:

The Central Park Phase 1 Playground Improvements Project includes the preservation of existing trees, replacement of the restroom and associated utilities, new themed and accessible playground areas & equipment, a new picnic shelter, new walkways, picnic tables, benches, site furnishings, fencing, pedestrian path light and irrigation system upgrades and landscaping.

Following extensive community outreach and commission/council input over a number of years, the updated Central Park Master Plan was adopted in March 2018. The Master Plan outlines a long-term conceptual plan to make incremental improvements to the park, including a new plaza and underground parking at the 5th Avenue edge of the park; relocated tennis courts; a new community event building; Fallen Heroes Memorial Grove; new picnic pavilion; and renovations to the existing children's playground area. Due to its age and condition, the renovations to the children's play area was identified to be the first phase to be implemented.

In February 2024, a project status update was presented to City Council. The update outlined the completion of 100 percent Construction Documents, Prequalification of Prospective Bidders and review of the design consultant's 100 percent Construction Document Cost Estimate. The 100 percent Construction Document Cost Estimate for the playground construction included a hard cost of \$10.7 million with a 15 percent contingency for a total of \$12.3 million. The anticipated total project (hard & soft) cost is \$13.4 million. Staff recommended and City Council approved proceeding with the bid phase by soliciting bids for the complete project as currently designed and included a series of "bid alternates" to give the city a menu of options to evaluate costs once the actual construction cost was known. This approach enables the budget to be evaluated and managed based on actual bids as opposed to estimated costs.

In accordance with Municipal Code section 3.60.030, a competitive public process was used to obtain bids for this service. A notice inviting Sealed Proposals and Bidding Documents was issued to advertise the project on July 8, 2024. Four prequalified contractors attended the mandatory pre-bid site walk on July 17, 2024. Three bids were received and opened on September 6, 2024, with the result below from low to high bid, which are 13 to 17 percent above the engineer's estimate of \$10,181,314.00.

<u>Contractor</u>	<u>Bid Amount</u>
Suarez & Munoz Construction, Inc.	\$11,532,000.00
Robert Bothman Construction, Inc.	\$11,934,500.00
McGuire and Hester	\$11,946,600.00

San Mateo Municipal Code section 3.60.040(a)(4) authorizes the City Council to, at its discretion, reject all bids received, negotiate a contract for the work or supplies if the project is not within budget, do the work through City employees, or terminate the project or purchase. Given that the bids received are greater than the engineer's estimate and the established budget for the project, staff is requesting for City Council to reject all bids. However, given the uncertainty of future price escalations, there may be an opportunity to have value engineering discussions with the low bidder now and identify potential savings. Staff is therefore requesting for City Council to authorize the Parks and Recreation Director to have negotiation discussions with Suarez & Munoz Construction, Inc. in an effort to identify areas where cost reductions may be achieved. If these negotiations are successful, staff will return to City Council for approval of a contract with Suarez & Munoz Construction, Inc. at a future date. If negotiations are not successful, staff will either rebid the project at a later date or modify the scope.

BUDGET IMPACT:

There is no budget impact for the rejection of bids.

ENVIRONMENTAL DETERMINATION:

This council action is not a project subject to CEQA, because CEQA does not apply to projects which are disapproved. The proposed action is to reject all bids and negotiate a contract with the low bidder. If a contract is negotiated, that will be subject to future Council consideration and CEQA review. (CEQA Guidelines Section 15270.)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

- Att 1 - Proposed Resolution
- Att 2 - Bid Results

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