

**CITY OF SAN MATEO
RESOLUTION NO. ____ (2020)**

REJECTING ALL BIDS FOR THE UNDERGROUND FLOW EQUALIZATION SYSTEM PROJECT

WHEREAS, the Underground Flow Equalization System Project ("UFES Project") is a critical project to construct a 5.3-million-gallon underground wastewater holding structure designed to prevent sanitary sewer overflows and unauthorized discharges from the City of San Mateo's sanitary sewer collection system; and

WHEREAS, the City advertised the UFES Project in accordance with Section 3.60.040 of the Municipal Code; and

WHEREAS, four bids were received and opened on March 19, 2020 and the lowest responsible bidder was Anderson Pacific Engineering Construction with a bid of \$56,567,330; and

WHEREAS, Anderson Pacific Engineering Construction's bid is approximately \$6.57 million greater than budgeted for the UFES Project; and

WHEREAS, since bids were received, there has been significant economic disruption associated with the COVID-19 emergency and future economic uncertainty also exists; and

WHEREAS, Section 3.60.040(a)(4) of the City's Municipal Code allows 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; and

WHEREAS, staff recommends rejecting all bids and negotiating a contract directly with Anderson Pacific Engineering Construction for the UFES Project to reduce project costs and account for the potential future changes in economic conditions;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

1. In accordance with the provisions of Municipal Code Section 3.60.040(a)(4), all bids for the Underground Flow Equalization System Project are rejected.
2. The Director of Public Works is authorized to negotiate a modified contract with Anderson Pacific Engineering Construction Inc. who is the lowest responsible bidder on the project.