

CITY OF SAN MATEO
RESOLUTION NO. ____ (2022)

REJECTING ALL BIDS FOR THE WASTEWATER TREATMENT PLANT IMMEDIATE ACTIONS PROJECT, PACKAGE III

WHEREAS, the Wastewater Treatment Plant (WWTP) Immediate Action Projects, Package III (Project) includes improvements to the WWTP's effluent pump station, site waste pump station, plant-wide mechanical and electrical equipment, replacement of effluent flowmeters, and sludge heating and recirculation piping; and

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

WHEREAS, eleven contractors attended the mandatory pre-bid site walk on April 21, 2022; and

WHEREAS, one bid was received and opened on May 20, 2022 and the lowest responsible bidder was Mountain Cascade, Inc. (Mountain Cascade) with a bid of \$19,880,000; and

WHEREAS, Mountain Cascade's bid is 64 percent above the engineer's estimate of \$12,131,000; and

WHEREAS, Mountain Cascade provided information indicating the cost and procurement lead times for materials and equipment associated with this project have increased due to the current market conditions and supply chain issues; and

WHEREAS, future market conditions and the associated impacts and/or benefits are uncertain; 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, given the uncertainty of future price escalations, there may be an opportunity to have value engineering discussions with the contractor now and identify potential savings; and

WHEREAS, staff recommends rejecting all bids and negotiating a contract directly with Mountain Cascade for the WWTP Immediate Action Projects, Package III to reduce project costs and account for the potential future changes in economic conditions; and

WHEREAS, if these negotiations are successful, staff will return to Council for approval of a modified contract with Mountain Cascade at a future date; but if negotiations are not successful, staff will either rebid the project at a later date or modify the scope.

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

1. In accordance with the provisions of San Mateo Municipal Code Section 3.60.040(a)(4), all bids for the WWTP Immediate Action Projects, Package III are rejected.
2. The Director of Public Works is authorized to negotiate a modified contract with Mountain Cascade, Inc. who is the lowest responsible bidder on the project.