



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 12

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Public Works Department
MEETING DATE: October 21, 2019
SUBJECT:
Fire Station 25 – Budget Appropriation and Contract

RECOMMENDATION:

Adopt a Resolution to authorize a budget transfer of \$100,000 from the Fire Station 25 Access Project and appropriate \$1,300,000 of available fund balance from the General Fund, for a total of \$1,400,000 to the New Fire Station 25 Project; award a contract to Sausal Corporation for construction of a new Fire Station 25 in the amount of \$6,140,000, with a contingency reserve of \$673,000; waive an irregularity in the bid, authorize a subcontractor substitution, 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 New Fire Station 25 Project (Project) involves the construction of a new fire station on an undeveloped two-acre park site at the corner of Borel Avenue and Shafter Street. The current Fire Station 25 facility was constructed during the early 1950's and contains a single engine bay in a 2,700 square foot structure. The new Fire Station 25 will also contain a single engine bay and will consist of a two-story structure totaling 4,950 square feet. On June 17, 2019, City Council awarded a contract to Consolidated CM, Inc. for construction management services and authorized an additional appropriation of \$2,150,000, bringing the Project to a total budget of \$7,680,000 to cover estimated project costs.

Construction Contract Bidding and Award

The bid documents for this Project were advertised in June 2019 and a pre-bid meeting was held on July 1, 2019. Bids were received on July 23, 2019 with the following results:

Company	Bid Amount
Agbayani Construction Corporation	\$5,895,000
D.L. Falk Construction Inc.	\$5,959,000
Sausal Corporation	\$6,140,000
Mar Con Builders, Inc.	\$6,325,388
Rodan Builders, Inc.	\$6,493,000
Gonsalves & Stronck Construction Company Inc.	\$6,509,000
Svala Construction, Inc.	\$6,600,000
Arana Group, Inc.	\$6,833,588
Katch Environmental, Inc.	\$7,613,477
Southwest Construction & Property Management	\$7,693,000

On July 25, 2019, staff requested additional information from the five lowest bidders to assist in the selection process and followed up with contractor references. Based on Sausal's past experience with projects of this type and excellent

references from a number of school districts and a fire district, staff recommends award to Sausal Corporation per Municipal Code Section 3.60.040(a)(3). In accordance with Section 3.60.040(a)(3), the City need not award contracts to the low bidder and may consider other relevant factors.

Also, as authorized by Municipal Code Section 3.60.040(a)(3), staff recommends that the City Council waive a minor irregularity with Sausal's bid. Sausal described the portion of work to be performed by one of its subcontractors, O.C. McDonald, as "plumbing" work. Sausal was proposing O.C. McDonald perform both plumbing and mechanical work. Staff has verified that O.C. McDonald does perform both plumbing and mechanical work and is recommending that the City waive this irregularity, which is permitted so long as the waiver will not create an unfair advantage for Sausal. No unfair advantage to Sausal will be created in this situation.

Since the submittal of bids to the City, O.C. McDonald no longer wishes to perform the work and has asked Sausal to allow withdrawal of its bid. Accordingly, Sausal also wishes to replace O.C. McDonald as the subcontractor to perform plumbing and mechanical work. Sausal and staff have complied with the subcontractor substitution procedure set forth in Public Contract Code Section 4107. The contract amount with Sausal is not being affected by this substitution.

Sausal's bid of \$6,140,000 is \$906,224 greater than the architect's construction estimate at the time of bidding, so additional funds are needed to complete the Project.

Fund Appropriation

The cost estimate for the Project was prepared by the architect in January 2019 and, as discussed above, a subsequent budget appropriation was approved in June 2019. The current approved budget and estimated cost are as follows:

Item	January 2019 Estimated Cost	Current Estimated Cost
Professional Design Services	\$715,050	\$715,050
Construction Management	\$539,040	\$539,040
Professional Services During Construction	\$214,026	\$145,000
Construction	\$4,867,156	\$6,140,000
Miscellaneous		
Fees (Permit, Tree, Materials)	\$309,978	\$309,978
Soils Disposal	-	\$75,000
Utilities (PGE, Fiber, Sewer)	\$467,000	\$467,000
Contingency	\$533,416	\$673,000
Total Estimated Expenditures	\$7,645,666	\$9,064,068
Currently Available Budget		\$7,680,000

Based on the current construction bid, increase in soils disposal costs, and additional contingency funding, additional funding beyond the current budget of \$7,680,000 is required to cover the cost to construct the fire station. As the current estimated cost is \$9,064,068, staff is requesting additional funding of \$1,400,000 to ensure that project costs can be sufficiently covered.

The Fire Station 25 Access Project was funded to provide access to Alameda de las Pulgas at the terminus of Borel Avenue. However, staff has determined that this was not essential to the operation of the fire station. Accordingly, staff requests approval to transfer \$100,000 of available funding from the Fire Station 25 Access Project to complete the new fire station. In the interim, the Fire Station 25 Access Project will be re-evaluated, and if approved to proceed, staff will restore the budget as funding becomes available. The remainder of the needed funds totaling \$1,300,000 is requested to be appropriated from available fund balance from the General Fund. After appropriation, the total budget for the Project will be \$9,080,000.

BUDGET IMPACT:

After the budget transfer of funding from the Fire Station 25 Access Project (460039) and appropriation of available fund

balance from the General Fund, there will be sufficient funds available to provide for the anticipated cost to complete construction of the New Fire Station 25 Project (561625).

ENVIRONMENTAL DETERMINATION:

An Initial Study and Mitigated Negative Declaration (IS/MND) was prepared for both the Fire Station 25 and Borel Park projects. The IS/MND concluded that the project would not have any significant effects with the incorporation of mitigation measures that have been included in the project's Conditions of Approval to ensure compliance during project implementation.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

Att 2 - Agreement

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