



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 8

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Public Works Department
MEETING DATE: September 9, 2020
SUBJECT:
Citywide Street Rehabilitation Package 1-B Project – Agreement

RECOMMENDATION:

Award an agreement to McKim Corporation for the Citywide Street Rehabilitation Package 1-B Project in the amount of \$1,318,597.14; establish a contingency reserve of \$130,000; and authorize the Public Works Director to execute the agreement in substantially the form presented and issue contract change orders within the contingency reserve.

BACKGROUND:

The Public Works Department oversees the Pavement Management Program, which is used to monitor the pavement conditions for all City-maintained streets in San Mateo, and to implement pavement improvement projects. Rehabilitation of the roadway surface with asphalt concrete overlay is one of the treatment strategies utilized in the paving program. The proposed Citywide Street Rehabilitation Package 1-B Project (Project) will improve a total of about 3/4 miles of City streets at twelve locations.

The Project was advertised on May 8, 2020, and a total of five (5) bids were received and opened on June 24, 2020. The bids received are shown below.

1. Asphalt Surfacing, Inc.	\$1,178,860.00
2. McKim Corporation, Inc.	\$1,318,597.14
3. Golden Bay Construction, Inc.	\$1,358,346.00
4. Interstate Grading & Paving, Inc.	\$1,458,251.50
5. O'Grady Paving, Inc.	\$1,534,960.00

The engineer's estimate for the work is approximately \$1,500,000.

As part of the bid review process, staff contacted Asphalt Surfacing, Inc. and the company informed City staff that it is not planning to self-perform certain items of work (e.g., traffic control and grinding), but it also did not list subcontractors for those items. Instead, the company is planning to obtain equipment and labor resources pursuant to a lease agreement ("leased crews") with other companies.

The Public Contracting Code broadly defines the term "subcontractor" (Public Contracting Code section 4113), and thus, staff believes that resources obtained via a lease agreement would likely be considered "subcontractors" under the law, and therefore, these "leased crews" should have been identified in the bid documents. Under both the Public Contract Code and the City's bid package, contractors are required to list all subcontractors (Public Contract Code section 4104(a)(1)).

Listing contractors helps ensure that all subcontractors are properly licensed and comply with prevailing wage law. Even though the information regarding “leased crews” was obtained by staff after and separate from the bid, given that these “leased crews” were not identified in the bid documents, staff believes that Asphalt Surfacing, Inc.’s bid should be considered non-responsive.

Additionally, even if the bid had been fully responsive, City staff would still recommend not awarding the contract to Asphalt Surfacing, Inc. for additional reasons. First, the company was not able to provide references demonstrating that the firm has past experience with public works improvement projects similar in nature to the Project. Second, several bid items (e.g., traffic control and pavement grinding) were significantly low and out of alignment with that of other bidders. This indicates to City staff that the bidder may not have a full appreciation of the work involved or of the true cost of paying prevailing wages as part of this project.

The second lowest bidder, McKim Corporation, submitted a bid the amount of \$1,318,597.14 and was found to be both responsive and responsible. McKim’s bid, while still lower than the engineer’s estimate, was in general alignment with the other bids. Staff conducted reference checks for McKim Corporation and received positive referrals. McKim Corporation has experience with similar projects, including a recent City of San Mateo public improvement project, and has demonstrated an ability to complete projects on time, with quality workmanship, and without safety incidents.

Given the circumstances described above, staff recommends selecting the second lowest bidder, McKim Corporation. The San Mateo Municipal Code allows the City to select any bidder, in consideration of any relevant factor, including past experience of the bidder (SMMC 3.60.040). Staff recommends that this project be awarded to the McKim Corporation in the amount of \$1,318,597.14.

BUDGET IMPACT:

Sufficient funds are available in project account 467001 Citywide Street Rehabilitation Package 1 to fund this agreement plus contingency.

ENVIRONMENTAL DETERMINATION:

In accordance with CEQA Guidelines Section 15301, this street rehabilitation project is categorically exempt from CEQA as maintenance and repair of existing streets involving negligible or no expansion of use.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

- Att 1 - Agreement
- Att 2 - Location Map

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