



# CITY OF SAN MATEO

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## Agenda Report

Agenda Number: 9

Section Name: {{section.name}}

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**TO:** City Council

**FROM:** Drew Corbett, City Manager

**PREPARED BY:** Public Works Department

**MEETING DATE:** May 17, 2021

**SUBJECT:**

Laurie Meadows Pedestrian and Bicycle Safety Improvement Project – Agreement

**RECOMMENDATION:**

Award an agreement to McKim Corporation for the Laurie Meadows Pedestrian and Bicycle Safety Improvement Project in the amount of \$360,647.75; establish a contingency reserve of \$36,000; and authorize the Public Works Director to execute the agreement in substantially the form presented and issue contract change orders as allowed by the contract documents and within the amount of the contingency reserve.

**BACKGROUND:**

The City was awarded a One Bay Area Grant 2 (OBAG2) grant by the Metropolitan Transportation Commission for the Laurie Meadows Pedestrian and Bicycle Safety Improvement Project (Project). The Project includes improving pavement conditions along Laurie Meadows Drive, upgrading existing curb ramps for Americans with Disabilities Act compliance, installing new curb extensions, and adding new bicycle striping. These improvements will increase safety for both pedestrians and bicyclists.

The Project was advertised on December 15, 2020, and a total of five (5) bids were received and opened on January 14, 2021. Bids were compared on the basis of the total bid amount, which includes the base bid plus additive options A and B. Options A and B allow for substituting grinding and paving for a portion of slurry seal work and adding concrete driveway apron replacement. The bids received are shown below.

	<u>Base bid</u>	<u>Option A</u>	<u>Option B</u>	<u>Grand total</u>
1. CF Contracting, Inc	\$692,948.00	\$251,300.00	\$110,000.00	\$1,054,248.00
2. Kerex Engineering Inc.	\$546,507.50	\$297,045.00	\$100,000.00	\$943,552.50
3. FBD Vanguard Inc.	\$500,281.00	\$225,625.00	\$80,000.00	\$805,906.00
4. Golden Bay Construction Inc.	\$534,255.50	\$143,450.00	\$52,500.00	\$730,205.50
5. McKim Corporation Inc.	\$315,972.75	\$125,073.75	\$44,675.00	\$485,721.50

The engineer's estimate for the work is \$839,425.00, which is within the range of bid amounts submitted.

McKim's bid is 33% lower than the second lowest bidder. Based on staff's review, several factors were identified as contributing to McKim's notably low bid. McKim self-performs most of its work using its own equipment and stated it bid the project with minimal profit to keep its crews working during the current economy. McKim bid a low mobilization price because they are already working in San Mateo, planned to move directly to the next project, and do not need to mobilize additional equipment since it is the same type of work as it is currently performing. McKim identified efficiencies in traffic control that contributed to a low price and staff found the traffic control meets the requirements of the specifications and significantly reduces costs.

When comparing the two lowest bids, approximately \$110,000 of the \$245,000 total difference is attributed to mobilization and traffic control. The remaining difference is associated with concrete work (\$40,000), slurry application (\$18,000), thermoplastic items (\$14,000) and all the other items were an average of 20% lower in price than the second lowest bidder. Staff also compared McKim's current bid to its bid on a successfully completed similar project with the City and found the bid prices were comparable.

McKim's total bid amount of \$485,721.50 includes the Base bid, Option A, and Option B. McKim's bid is the lowest for all combination of base bid and options. Staff recommends only awarding the scope of the base bid plus Option B, which includes pavement slurry seal for the entire project limits and the addition of concrete driveway apron replacements to improve accessibility along the path of travel.

The pavement condition index (PCI) for Laurie Meadows Drive within the limits of the project is 76. This is appropriate to receive slurry seal treatment and does not require and would not substantially benefit from grinding and repaving. Thus, it is proposed to award the base bid to apply slurry within the entire project limits. Since the project goal is to improve pedestrian access, the recommended award scope is Base bid plus Option B (concrete driveway work) for a total amount of \$360,647.75.

McKim Corporation has performed satisfactorily on past contracts with the City, has submitted a responsive bid, and staff recommends award of this contract.

**BUDGET IMPACT:**

Sufficient funds are available in the Citywide Street Rehab-OBAG 2 Laurie Meadows Project to fund this agreement plus contingency. The maximum grant amount is \$987,000 on a reimbursable basis. City is obligated to cover any ineligible expenses or amounts above the grant funds.

**ENVIRONMENTAL DETERMINATION:**

This project is categorically exempt from CEQA as an "existing facility," because it consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. (CEQA Guidelines Section 15301.)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 - Agreement

Att 2 - Location Map

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