



CITY OF SAN MATEO

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Agenda Report

Agenda Number: 24

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Parks and Recreation Department
MEETING DATE: August 16, 2021
SUBJECT:
Borel Park Development Project – Bid Rejection

RECOMMENDATION:

Adopt a Resolution to reject all bids for the Borel Park Development Project Construction and authorize the City Manager or designee to negotiate a contract with Andreini Bros Inc., the lowest bidder to have submitted a complete and accurate bid package.

BACKGROUND:

On July 8, 2021, the City of San Mateo opened bids on the Borel Park Development Project. The lowest bid received with a complete and accurate bid package and excellent recommendations from other customers was Andreini Bros Inc. As explained below, however, the submitted bids were all more than \$300,000 over the engineer's estimated cost of the project.

Borel Park Project Bid Amount

Agbayani Construction Corp.	\$1,972,721.90
Azul Works Inc.	\$1,975,196.00
Andreini Bros Inc.	\$1,992,688.00
Marina Landscape Inc.	\$2,151,179.00
Bothman Construction	\$2,425,000.00
Treaty Construction	\$2,549,715.00
Galeb Paving Inc.	\$2,561,125.90
Angotti & Reilly Inc.	\$2,727,875.20

Bid amounts for the lowest three bids received were within \$20,000 of each other.

Each of the three lowest bid packages were reviewed for completeness, accuracy, and success of past projects. Andreini Bros Inc. was the only one of the three to have a fully complete and accurate bid package. Andreini Bros also had the highest level of satisfaction for past projects completed. Agbayani Construction Corp. is not being recommended for contract award due to poor feedback from past projects and not having three projects listed where they were the general contractor on park improvement projects totaling more than \$1 million. Azul Works Inc. is not being recommended for contract award because they provided an incomplete bid package in which they did not provide a surveyor number and Department of Industrial Relations number, they provided inaccurate information, and their recommendations were not as strong as those received by Andreini Bros Inc.

The lowest bid received with a complete and accurate bid package and excellent recommendations is Andreini Bros at \$1,992,688.00, which is \$324,767.10 above our architects' (Dave Volz Design) estimate of \$1,667,920.90.

Staff has considered several alternatives to reduce project costs and address future, unforeseeable changes in the construction market that may result from the COVID-19 pandemic or the economy in general. The two best options are:

1. Rejecting all bids and rebidding the project hoping that the current economic conditions stabilize to potentially obtain more favorable bid prices; or
2. Rejecting all bids and negotiating a modified contract with Andreini Bros in order to bring the cost more in line with the original engineer's estimate.

Staff is recommending option #2.

This approach is authorized under Section 3.60.040 of the Municipal Code, which allows the City Council to award a contract to the lowest responsible bidder or other bidder. In determining to whom the award is to be made, the City Council may consider a number of factors in addition to the bid price received. Those factors include the quality of work the bidder has done, as well as other relevant factors as determined by the City Council, which can include recommendations provided by the bidders. The City Council may then, in its discretion, reject all bids received, negotiate a contract for the work or supplies if the project is not within the budget, do the work through City employees, or terminate the project or purchase.

Given that all the bids are greater than the established budget for the project, staff is requesting that Council reject all bids and authorize the City Manager or designee (i.e., the Director of Parks and Recreation) to negotiate a contract with Andreini Bros Inc. Andreini Bros has indicated they are willing to enter into negotiations. If these negotiations are successful, staff will return to Council for approval of contract at a future date.

BUDGET IMPACT:

The lowest bid with a complete and accurate package, as well as having excellent recommendations is \$1,992,688.00 which is \$324,767.19 above our estimate. By rejecting all bids, staff can negotiate a more favorable contract.

ENVIRONMENTAL DETERMINATION:

This bid rejection and authorization to negotiate is not a project subject to CEQA, because it is an administrative activity which will not result in direct or indirect impacts on the environment. (CEQA Guidelines Section 15378(b)(5).) In addition, 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

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