



CITY OF SAN MATEO

City Hall
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Agenda Report

Agenda Number: 9

Section Name: {{section.name}}

Account Number: 46t090

File ID: {{item.tracking_number}}

TO: City Council

FROM: Drew Corbett, City Manager

PREPARED BY: Public Works Department

MEETING DATE: June 20, 2022

SUBJECT:

Wastewater Treatment Plant Immediate Action Projects, Package III – Bid Rejection

RECOMMENDATION:

Adopt a Resolution to reject the sole bid received for Wastewater Treatment Plant Immediate Action Projects, Package III, and authorize the Public Works Director to negotiate a contract directly with Mountain Cascade, Inc.

BACKGROUND:

The City of San Mateo Wastewater Treatment Plant (WWTP) is an aging facility, and the Clean Water Program (CWP) includes a variety of capital improvement projects to rehabilitate and upgrade the existing facilities. WWTP Immediate Action Projects, Package III is a component of the CWP and includes improvements to the WWTP's effluent pump station, site waste pump station, and plant-wide mechanical and electrical equipment, as well as replacement of effluent flowmeters and sludge heating and recirculation piping.

In accordance with Municipal Code section 3.60.030, a competitive public process was used to obtain bids for this service. A Notice Inviting Sealed Proposals and Bidding Documents was issued to advertise the project on April 15, 2022. Eleven contractors attended the mandatory pre-bid site walk on April 21, 2022. One bid was received and opened on May 20, 2022 with the result below, which is 64 percent above the engineer's estimate of \$12,131,000.

Contractor	Bid Amount
Mountain Cascade, Inc.	\$19,880,000

Based on information from this contractor, 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. The project is expected to take approximately 18 months to complete. Future market conditions and the associated impacts and/or benefits are uncertain.

San Mateo Municipal Code section 3.60.040(a)(4) authorizes 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. Given that the bid is greater than the established budget for the project, staff is requesting for City Council to reject all bids. However, given the uncertainty of future price escalations, there may be an opportunity to have value engineering discussions with the single bidder now and identify potential savings. Staff is therefore requesting for City Council to authorize the Director of Public Works to have negotiation discussions with Mountain Cascade, Inc. in an effort to identify areas where cost reductions may be achieved. If these negotiations are successful, staff will return to City Council for approval of a modified contract with Mountain Cascade, Inc. at a future date. If negotiations are not successful, staff will either rebid the project at a later date or modify the scope.

BUDGET IMPACT:

There is no budget impact for the rejection of bids.

ENVIRONMENTAL DETERMINATION:

The City prepared a Final Programmatic Environmental Impact Report (Final PEIR) in accordance with the California Environmental Quality Act (CEQA) (SCH No. 2015032006). On June 6, 2016, Council certified the PEIR. In accordance with CEQA, the Final PEIR serves as the primary environmental compliance document for the implementation of the Clean Water Program. The City prepared Addenda to the Final PEIR that was approved on July 16, 2018 (Addendum 1) and April 15, 2019 (Addendum 2). This work is within the scope of the Project evaluated in the PEIR and Addendum.

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Proposed Resolution

Att 2 - Bid Results

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