



## Legislation Details (With Text)

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<b>On agenda:</b>	1/25/2023	<b>Final action:</b>	1/25/2023
<b>Title:</b>	Report regarding a resolution awarding a construction contract to Mercoza for the CDBG - Curb Ramp Replacement Project (Project No. st2106, Bid No. 2674) in an amount not to exceed \$197,860.40 for a total budget of \$250,000.00; (Angel Torres, Senior Civil Engineer)		

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Attachment 1 Vicinity Map

Date	Ver.	Action By	Action	Result
1/25/2023	1	City Council	approved	Pass

Report regarding a resolution awarding a construction contract to Mercoza for the CDBG - Curb Ramp Replacement Project (Project No. st2106, Bid No. 2674) in an amount not to exceed \$197,860.40 for a total budget of \$250,000.00; (*Angel Torres, Senior Civil Engineer*)

### **RECOMMENDATION**

**Staff recommends that the City Council adopt a resolution awarding a construction contract to Mercoza of San Jose, California for the CDBG - Curb Ramp Replacement Project (Project No. st2106, Bid No. 2674) in an amount not to exceed \$197,860.40, authorizing a total construction contract authority budget of \$250,000.00, and authorizing the City Manager to execute the agreement on behalf of the City.**

### **BACKGROUND/DISCUSSION**

The Community Development Block Grant (CDBG) Program supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.

Block grants provide state and local governments funding to assist them in addressing broad purposes, such as community development, social services, public health, or law enforcement, and generally provide them more control over the use of the funds than categorical grants.

The program is designed to reinforce several important values and principles of community development. CDBG's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.

Utilizing residual funds from the 2021 Pavement Rehabilitation Project, ST2106 part of the Pavement Management Program (PMP), the Engineering Division secured funding for the professional design services for the design of the CDBG - Curb Ramp Replacement project.

This project will bring meaningful and long-lasting improvements to the community by adding ADA

accessibility on local streets and overall function of the neighborhood. It also provides a positive message of significant pedestrian access improvements to the public.

The work consists of clearing, grubbing and environmental protection, installing concrete curb ramps, curb and gutter, sidewalk, valley gutter, sidewalk curb drains, removing and resetting existing sign posts, hot-mix asphalt plug (8-inch depth), and striping construction located at the intersection of Eucalyptus Ave/Almond Ave, Eucalyptus Ave/Cottonwood Ave, Eucalyptus Ave/Palm Ave, Spruce Ave/Third Ln, Walnut Ave/Tamarack Ln, Hawthorne Pl/California Ave, and Olive Ave/Armour Ave as identified in the attached vicinity map (Attachment 1).

The Project will install 17 ADA compliant concrete curb ramps within CDBG eligible service areas.

The work on the Project will be coordinated so that residents and the traveling public have alternate routes (Detours) to access the area during construction.

Provisions in the contract specifications have been established so that the Contractor is responsible for delivering advance notification to residents in the neighborhoods directly impacted by the proposed improvements. This work will result in temporary street parking impacts and limited access as work is underway. Temporary “No Parking” signs will be placed on the streets by the Contractor noticing impacted sections during construction.

### Overview of City’s Procurement Process

The City’s procurement process is governed by both state and local law. State law requires contracts for construction to be competitively bid pursuant to a set of specific, established rules. In particular, the City is required to award construction contracts to the “lowest responsible bidder” after providing notice in accordance with law. (Pub. Contract Code §§ 20162, 20164.)

However, in awarding contracts for the purchase of professional services, equipment and supplies, the City has some latitude. State law requires the City to adopt regulations and policies to govern such service and supplies procurement, but otherwise provides the City flexibility in determining relevant requirements as long as they are consistent with applicable state law. (Gov. Code § 54202.) Chapter 4.04 of the Municipal Code and the City’s Purchasing Procedures (Administrative Instruction Section IV, No. 1) govern the City’s purchasing policies and contract procurement processes.

The City’s purchasing ordinance distinguishes between three primary types of procurement methods as follows:

#### **1. Competitive Bidding for Construction Projects**

Public projects are specifically defined under the Public Contract Code, and generally involve any construction project that is paid with public funds or those projects involving improvements, demolition or other work on public property or facility. Public projects are required to be procured through competitive bidding and the City must award the contract to the lowest bidder whose bid complies with all of the City’s solicitation requirements and demonstrates that the bidder is able to perform the work. Under the City’s policy, different levels of competitive bidding are required depending on the dollar limit of the underlying project.

For these contracts, cost is generally the sole determining factor, and the lowest responsible bidder is awarded the project even if another bidder appears to be more skilled but is more expensive.

#### **2. Open Market Procedures for Vendors (Supplies and Equipment)**

Open Market Procedures is the City’s vendor selection process for purchase of goods, supplies, and professional services. These rules do not apply to, and may not be used for, public construction

projects.

Contracts for the purchase of goods and services that exceed \$10,000 requires staff to utilize open market procedures. If the contract is \$25,000 or less, staff must obtain at least three quotes, which are informal offers to perform work at a stated price. If the contract is greater than \$25,000, staff will be required to solicit the project, such as issuing a Request for Proposals (“RFPs”) and obtain at least three written responses.

Under this vendor selection process, cost can be only one factor in determining which vendor the City will ultimately select for services, equipment, or supplies. This requirement is similarly reflected under SSFMC § 4.04.080.

Thus, when utilizing the open market vendor selection process, the City is focused on the skill, ability, and expertise of the entity or person to be able to provide the service, equipment, or goods to the City. The selection is based on competence, professional qualifications, and overall value to the City with cost being only one factor in the determination of an award.

#### Federally Funded Procurements for Vendors (Supplies and Equipment)

Contracts that receive federal funding are required to incorporate and comply with additional terms and conditions. The City’s Purchasing Procedures also provide guidance on procuring supplies and equipment contracts that are federally funded. Federally funded procurements also require a written procedure for conducting evaluations and for selecting recipients and awarding the contract to the responsible firm whose proposal is most advantageous to the City with price being only one factor. It is also important to note that federally funded procurements do not include state or local geographical preferences unless specifically authorized by federal law. Each evaluation is a non-discrimination and equal opportunity for all vendors.

### **3. Open Market Procedures for Architectural and Engineering (A&E) Professional Services**

For certain professional services such as architectural, engineering, environmental, land surveying, or construction project management, the Government Code also specifically requires that such services not be awarded solely based on price, but instead based on demonstrated competence. (Gov. Code § 4526.) Both the state law provision and the City’s policy reflect the legislative view that when acquiring such services, the City does not necessarily receive the best value when it pays the lowest price. (See e.g., California Attorney General Op. No. 94-819 (February 9, 1995).

#### **Award of Construction Contract: CDBG - Curb Ramp Replacement Project, st2106, Bid No. 2674.**

The current Project falls under Procurement Type 1: Competitive Bidding for Construction Projects.

On January 5<sup>th</sup>, 2023, staff received nine (9) bid proposals in response to the notice inviting bids. Of the nine (9) bids received, five (5) were deemed responsive and, four (4) non-responsive/disqualified (DQ). Staff reviewed all bid proposals and identified that the lowest responsive and responsible bidder was Mercoza of San Jose, California. Staff has verified the low bidder’s current contractor’s license with the California State Licensing Board and found it to be in good standing.

Following is a summary of all nine (9) bids received:

	Contractor	"Base Bid" Schedule
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	Status Of Proposal	(Contract Award Based on "Base Bid" Total)	Results
1	DQ	FJ&I Engineering Inc.	\$156,990.00
2	DQ	Villalobos & Associates, Inc.	\$189,180.00
3	<b>Responsive</b>	Mercoza	\$197,860.40
4	Responsive	Terocons Inc.	\$207,010.00
5	DQ	Kerex Engineering	\$219,450.00
6	DQ	JJR Construction, Inc.	\$247,999.00
7	Responsive	Raposo Engineering Inc	\$268,560.00
8	Responsive	RK Engineering, Inc.	\$287,130.00
9	Responsive	Golden Bay Construction, Inc.	\$364,232.00
		Engineers Estimate	\$203,080.00

The Project was advertised with a “Base Bid” schedule only. The selection of award of a contract is based on the lowest responsive bid for the Base Bid schedule.

The Project budget is:

Mercoza Construction Contract	\$197,860.40
Construction Contingency (~26%)	\$52,139.60
<b>Total Project Budget</b>	<b>\$250,000.00</b>

The construction contingency will be used for any additional costs related to design changes during the construction operations. There are no Disadvantaged Business Enterprise (DBE) requirements on the Project.

### FUNDING

This Project (No. st2106) is included in the City of South San Francisco’s fiscal year 2022-2023 Capital Improvements Program. There are sufficient funds in FY 2022-2023 to cover the total construction contract costs.

### RELATIONSHIP TO STRATEGIC PLAN

Approval of this action will contribute to the City’s Strategic Plan outcome of improved Quality of Life by maintaining and improving infrastructure to serve the public.

### CONCLUSION

Awarding the construction contract to Mercoza of San Jose, California, for the Project will allow ADA ramps to be installed in compliance with Federal requirements to support the City of South San Francisco ADA Self Evaluation and Transition Plan.

Attachments:

1. Vicinity Map