



Legislation Text

File #: 22-31, Version: 1

Report regarding a resolution awarding a construction contract to McGuire and Hester of Alameda, California for the Grand Boulevard Initiative Phase III Project (Project No. st1807, Bid No. 2658) in an amount not to exceed \$3,257,557, authorizing a total construction contract authority budget of \$3,925,300, and authorizing the City Manager to execute the agreement on behalf of the City. (*Jeffrey Chou, Senior Civil Engineer*)

RECOMMENDATION

Staff recommends that the City Council adopt a resolution awarding a construction contract to McGuire and Hester of Alameda, California for Grand Boulevard Initiative Phase III Project (Project No. st1807, Bid No. 2658) in an amount not to exceed \$3,257,557, authorizing a total construction contract authority budget of \$3,925,300, and authorizing the City Manager to execute the agreement on behalf of the City.

BACKGROUND/DISCUSSION

The Complete Streets Improvements on El Camino Real (SR82) Project (between Arroyo Drive and Kaiser Way) is part of the Grand Boulevard Initiative Project, a collaboration of 19 cities, counties, local and regional agencies united to improve the performance, safety, and aesthetics of El Camino Real. Starting at the northern Daly City city limit (where it is named Mission Street) and ending near the Diridon Caltrain Station in central San Jose (where it is named The Alameda). The initiative brings together local agencies focused on improving the condition, use and performance of the street.

The South San Francisco portion of the Grand Boulevard Initiative Project starts at McClellan Drive and ends at Chestnut Avenue, which is approximately one mile, where Phase I from Arroyo Drive to Chestnut Avenue and Phase II from McClellan Drive to Kaiser Way have been recently constructed.

The Grand Boulevard Initiative Phase III Project (Project) from Arroyo Drive to Kaiser Way will conform to the southern limit of the Phase I improvements and the northern limit of the Phase II improvements, creating a thoroughfare that is functionally and aesthetically consistent for vehicle, bicycle, and pedestrian traffic. See Attachment 1 - Project Location Map.

The Project improvements include enhanced pedestrian crossings, new ADA curb ramps, new pervious sidewalks and path, new bike lanes, and upgraded landscaped median. The Project will also install a new pedestrian path from El Camino Real to Del Paso Drive to promote easier access with the residents from the Buri Buri neighborhood to the El Camino Real corridor.

Staff previously applied this project for the One Bay Area Grant 2 (OBAG2) and MTC Safe and Seamless Mobility Quick Strike Program and was awarded federal grant funding in the amount of \$875,000 and \$2,120,000, respectively, for the construction and construction engineering phases of the project.

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 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 require 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)).

Current Project:

Grand Boulevard Initiative Phase III Project, st1807, Bid No. 2658

This project falls under Procurement Type 1: Competitive Bidding for Construction Projects.

Staff advertised a notice inviting bids for the project on December 5, 2022, and December 12, 2022. On January 26, 2023, staff received four (4) bid proposals in response to the notice inviting bids. Staff reviewed all bid proposals and identified that the lowest responsible bidder was McGuire and Hester of Alameda, 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, and not on the State's or Federal's debarment lists.

The project was advertised with a "Base Bid" and "Alternative Bid" schedule. The selection of award of a contract is based on the lowest responsive bid "for the Base Bid" schedule. The "Alternative Bid" schedule was used to include a bid item for an additional two years of plant establishment.

The City also established a Disadvantaged Business Enterprise (DBE) goal of 16% since Federal funds are being utilized on the project.

The following is a summary of all bids received:

Rank	Contractor	"Base Bid" Schedule Results	"Alternate Bid" Schedule Results
1	McGuire and Hester	\$3,214,557.00	\$43,000.00
2	Redgwick Construction Co.	\$3,499,314.00	\$95,000.00
3	Sposeto	\$4,010,143.50	\$70,000.00
4	Interstate Grading & Paving, Inc.	\$4,048,639.75	\$ 2,000.00
	Engineers Estimate (by Mark Thomas)	\$2,969,956.50	\$50,000.00

Staff reviewed the lowest bidder (McGuire and Hester) and determined that its bid was responsive and responsible. Although, McGuire and Hester's bid proposal included a DBE commitment of 10.1%, lower than the City's DBE goal of 16%, City staff determined that, through extensive evaluation, and a subsequent reconsideration hearing, McGuire and Hester did perform adequate Good Faith Efforts to meet the DBE goal. Caltrans staff have also concurred that the City has followed all steps regarding the Good Faith Efforts evaluation and agree with the City's determination to award the project to McGuire and Hester.

McGuire and Hester's bid is 8.2% higher than the Engineer's Estimate which is within reason with the changing construction climate and rising cost in material and labor.

Staff recommend awarding both the Base Bid and Alternative Bid schedules to McGuire and Hester.

The project construction budget is:

McGuire and Hester Construction Contract	\$3,257,557
Construction Contingency (20%)	\$667,743
Total Project Construction Budget	\$3,925,300

The construction contingency will be used for any additional costs related to design changes during the construction operations.

FISCAL IMPACT

This project (CIP No. st1807) is included in the City of South San Francisco's fiscal year 2022-2023 Capital Improvements Program. There are sufficient funds in FY 2022-23 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 McGuire and Hester of Alameda, California, for the Grand Boulevard Initiative Phase III Project will complete the last phase of the Grand Boulevard Initiative and install new Class II bike lane and pedestrian sidewalks between Arroyo Dr and Kaiser along El Camino real.

Attachments:

1. Project Location Map