



**CITY OF LARKSPUR  
Staff Report**

September 4, 2019 City Council Meeting

DATE: August 27, 2019  
TO: Honorable Mayor Morrison and the Larkspur City Council  
FROM: Julian Skinner, Public Works Director  
SUBJECT: ADOPT A RESOLUTION REJECTING THE ONLY BID RECEIVED FOR THE CORTE ALEJO STORM DRAIN PROJECT (CIP 11-047) FROM MCKUIN PIPELINE INC. AS NON-RESPONSIVE

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**ACTION REQUESTED**

Adopt a resolution rejecting the only bid received for the Corte Alejo Storm Drain Project (CIP 11-047) from McKuin Pipeline as non-responsive.

**SUMMARY AND BACKGROUND**

The City has been working on plans to replace surface installed storm drainage running from Via La Paz to Corte Alejo for some time. Three previous public bid attempts to install a new bypass storm drain routed along Via La Paz failed to result in a construction contract due to high bids.

The City, together with HB Consulting Group (HBCG) developed an alternate replacement storm drain alignment that includes directional drilling the new storm drain under the hillside directly from Via La Paz to Corte Alejo. The design work was completed and subsequent to City Council adoption of the plans at the June 5<sup>th</sup> City Council meeting the project was publicly advertised for construction bids on August 9, 2019.

The bid resulted in receipt of one bid only from McKuin Pipeline Inc. The received bid was not signed, nor was the bid bond signed by the Contractor. Failure to sign a bid is a significant error and cause for bid rejection.

Rejection of McKuin's bid results in zero received bids. Per California Public Contract Code Section 22038 (c), the City may proceed with performing the project by negotiated contract without further need of public bidding. Staff will be evaluating options and returning to Council with further recommendation.

**DISCUSSION**

A city storm drain was damaged during a slide on the hillside between homes below Via La Paz and above Corte Alejo. A temporary replacement was installed on top of the hillside, and plans were developed, and funds allocated to design and construct replacement storm drain. The temporary installation includes multiple pipes strapped to the surface of the hillside, which requires continual monitoring and adjustment by City maintenance staff to adjust the installation for the movements of the underlying hillside. The temporary pipe is also vulnerable to failure from any future slide at the location.

Three options were developed for replacement of the storm drain, including replacement of a new surface pipe, a diversion pipe in Via La Paz and the new drilled pipe. The bid project was based on the drilled pipe option, following three failed attempts to award a contract for the diversion pipe alternative.

HBCG subcontracted with a drilling consultant and developed the plans for bid. The new design includes pipe installation below the existing slide plane (in rock) to isolate it from effects of any future hillside movement.

On August 9, 2019 following completion of the bidding plans and City Council adoption of the same, staff advertised the project for public construction bids. The engineer's estimate for the work per the bid documents was \$800,000.

By the 2pm, August 27, 2019 deadline for receipt of bids, only one bid had been received in response to the public bid advertisement. The bid was submitted by McKuin Pipeline but was found to be non-responsive as it was not signed. The bid was rejected, and the bid amount was not read aloud. As a result of this bid rejection, no responsive bids were received for this project.

City staff will be reviewing project disposition and evaluating options moving forward. The California Public Contract Code allows negotiating a construction contract for the work since the public bidding requirement has already been satisfied. Staff will also talk with contractors who obtained bidding documents but did not bid the project to see if there are any suggestions for making the project more biddable.

**FISCAL IMPACT**

Construction funding is included in the Corte Alejo Storm Drain Project (CIP 11-047). No further budgetary action is required at this time as no contract is proposed. Based on the lack of bid interest it is likely that construction cost will exceed engineer's estimate and project budget and any future award of a construction contract will likely require a budget amendment.

**ENVIRONMENTAL STATUS**

The Corte Alejo Storm Drain Project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) Guidelines in Section 15301 (c), Existing Facilities, of the California Code of Regulations Title 14, Chapter 3.

**STAFF RECOMMENDATION**

Staff recommends that Council find the sole bid for the project submitted by McKuin Pipelines Inc. to be non-responsive due to it not being signed and reject the bid.

## **AGENDA ITEM 4.4**

Respectfully submitted,

Julian Skinner, Public Works Director/ City Engineer

### Attachments

1. Resolution
2. Location Map
3. CIP Budget Excerpt – CIP 11-047

CITY OF LARKSPUR  
RESOLUTION 54/19

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LARKSPUR  
REJECTING THE ONLY BID RECEIVED FOR THE CORTE ALEJO STORM DRAIN  
PROJECT (CIP 11-047) FROM MCKUIN PIPELINE INC. AS NON-RESPONSIVE**

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**WHEREAS**, the Corte Alejo Strom Drain Project is funded as part of the FY 2019/20 Capital Improvement Program;

**WHEREAS**, staff administered preparation of the plans and specifications for the project, and advertised the same for formal public bid on August 9, 2019;

**WHEREAS**, only one bid was received by the deadline for bid submission of 2:00 p.m. on August 27, 2019;

**WHEREAS**, the one bid was submitted by McKuin Pipeline Inc;

**WHEREAS**, the bid of McKuin Pipeline Inc. was found to be non-responsive as it was not signed;

**WHEREAS**, the one bid of McKuin Pipeline Inc. was rejected; and

**WHEREAS**, rejection of the bid results in no responsive bids being received for the project;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Larkspur hereby resolve, declare, determine and order as follows:

- 1 The bid received from McKuin Pipeline Inc for the Corte Alejo Storm Drain Project is non-responsive and is rejected.
- 2 The City of Larkspur’s public bid advertisement for the Corte Alejo Storm Drain Project resulted in receipt of no responsive bids and the City may per California Public Contract Code Section 22038 (c) negotiate a contract to perform the work without need for further public bidding

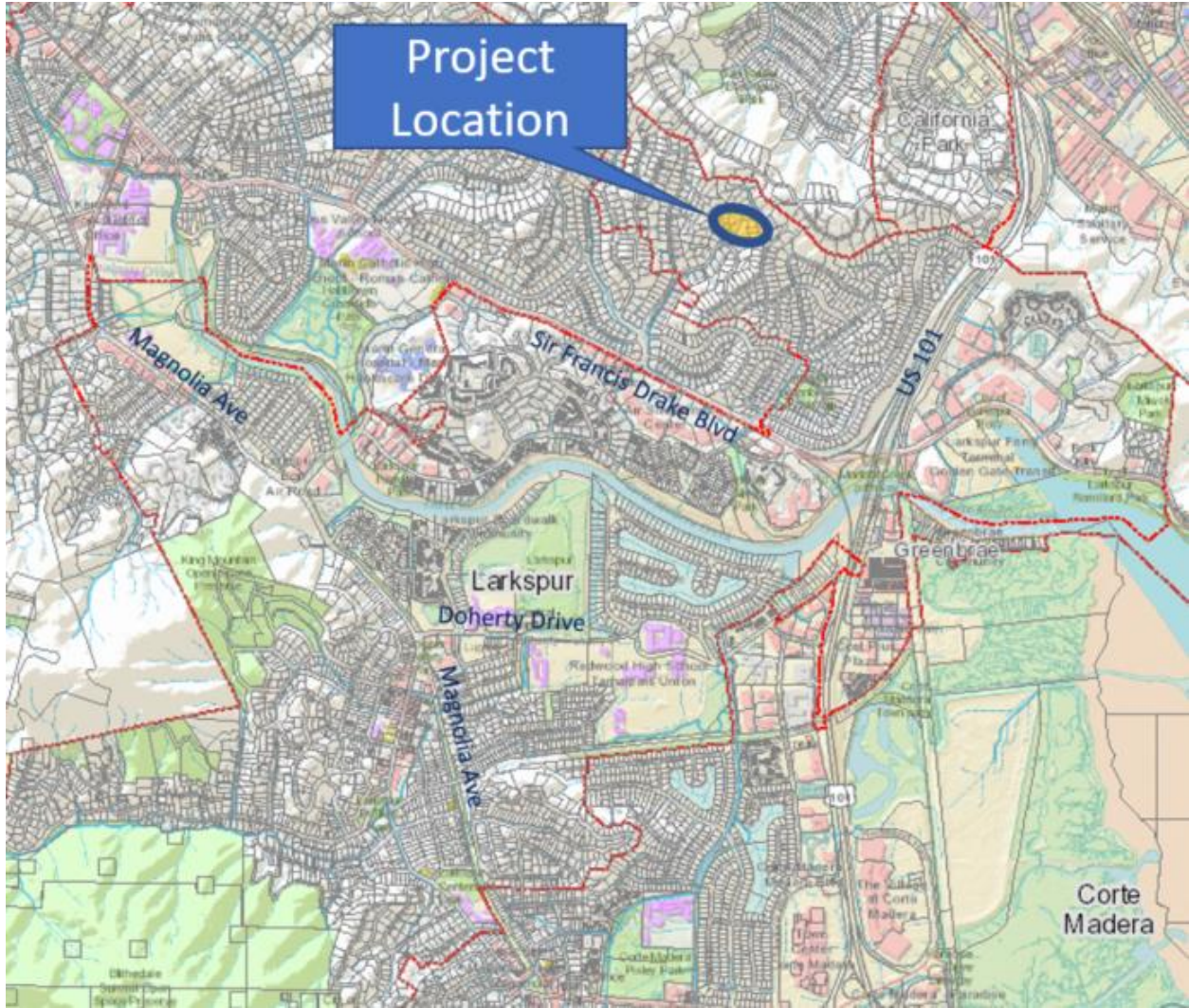
**IT IS HEREBY CERTIFIED** that the City Council of the City of Larkspur duly introduced and regularly adopted the foregoing resolution at a regular meeting held on September 4, 2019 by the following vote:

AYES: COUNCILMEMBER:  
 NOES: COUNCILMEMBER:  
 ABSENT: COUNCILMEMBER:  
 ABSTAIN: COUNCILMEMBER:

\_\_\_\_\_  
Ann Morrison, Mayor

ATTEST:

\_\_\_\_\_  
Alison Foulis, City Clerk



Location Map

Corte Alejo Storm Drain

Project Name  
**Corte Alejo Storm Drain**

CIP #: **11-047**

Category: Streets

Location: Hillside between Corte Alejo & Via La Paz

Project Status: on-going

Anticipated Start Date: Construction Fall 2019

**Project Description**  
Reconstruction of storm drain from Via La Paz to Corte Alejo damaged from mudslides.

Project is:  fully funded  un/under funded

**Justification/Objective**  
Storm drain modifications necessary to maintain competent drainage.

need to update this

PROJECT EXPENDITURE:		FY 2018/19 & prior	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Total
Design Engineering	D&E	\$ 124,052	\$ 127,750	\$ -	\$ -	\$ -		\$ 251,802
Improvements	IMP	-	669,692	-	-	-		669,692
Construction Mgt	CM	-	84,320	-	-	-		84,320
-								
<b>Total Design/Construction Costs:</b>		<b>\$ 124,052</b>	<b>\$ 881,762</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,005,814</b>

FUNDING SOURCES		FY 2018/19 & prior	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Total
Gas Tax	D&E	\$ 125,878	\$ 125,924	\$ -	\$ -	\$ -	\$ -	\$ 251,802
Gas Tax	IMP	514,054	(150,244)	-	-	-	-	363,810
Gas Tax	CM	60,000	24,320	-	-	-	-	84,320
Measure A (TAM)	IMP	305,882	-	-	-	-	-	305,882
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>Total Funding:</b>		<b>\$ 1,005,814</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,005,814</b>
<b>Carryover</b>		<b>\$ 881,762</b>						

Notes:

Approval Mechanism (Reso # & Date)	Reso#	Date	Notes
	43-17	6/7/2017	

Adopted in FY: 2013-14

Last revised on: 5/7/2019

Printed on: 6/18/2019

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