



Midpeninsula Regional
Open Space District

R-21-105
Meeting 21-23
August 11, 2021

AGENDA ITEM 4

AGENDA ITEM

Award of Contract to TKO General Engineering and Construction, Inc., for demolition of three unoccupied, unpermitted, non-historic structures at the former Bergman Property located at 20000 Skyline Blvd in Russian Ridge Open Space Preserve

GENERAL MANAGER'S RECOMMENDATIONS *den*

1. Authorize the General Manager to enter into a contract with TKO General Engineering and Construction, Inc, of Woodside, CA to complete structure demolition work for a base contract amount of \$89,000.
2. Authorize a 10% contingency of \$8,900 to be reserved for unanticipated issues, bringing the total not-to-exceed contract amount to \$97,900.

SUMMARY

The General Manager recommends awarding a contract to the lowest responsible and responsive bidder TKO General Engineering and Construction, Inc., (TKO) for a base contract amount of \$89,000 and authorizing a 10% contingency amount of \$8,900, for a total not-to-exceed amount of \$97,900 to demolish three unoccupied, non-historic accessory structures (accessory dwelling unit with septic system, horse paddocks, and a small shed) at the former Bergman property in Russian Ridge Open Space Preserve. The scope under the recommended contract completes the fourth and final phase to comply with an agreement between the Midpeninsula Regional Open Space District (District) and San Mateo County to remove unpermitted structures and also retain and perform essential repairs on three residential structures that are currently rented out. The Fiscal Year 2021-22 (FY22) budget includes sufficient funds for the recommended action.

BACKGROUND

The District purchased the property located at 20000 Skyline Boulevard in the unincorporated area of San Mateo County on November 29, 2010 (R-10-115) with five (5) occupied residences. When the District applied for a building permit to replace a deck, the San Mateo County (County) Planning Department raised several permitting issues with the buildings. One structure had a permit that was never finalized, three structures had non-permitted additions, and one structure was not permitted at all. The County issued the deck permit on condition that the District would resolve the other permit issues. Staff worked with County Planning to finalize permits on four (4) structures (three of which are residential), requiring the removal of unpermitted additions to three (3) structures (which has since been completed during Phase II of the project) and full demolition of one (1) non-permitted accessory dwelling unit (ADU) (which is part of the proposed contract under

this Agenda Item). In addition to the required removal of the ADU, the District also plans to remove a 500 square-foot horse paddocks that held 3 horses as well as a shed due to the advanced state of disrepair of both structures.

The recommended contract will complete the fourth and final phase of the project. All four phases of the full project are described below:

- Phase I Site cleanup - completed in FY18
- Phase II Demolition and improvements - completed in FY19.
- Phase III Residence improvements- completed in FY20.
- Phase IV Demolition of ADU, horse paddocks, and ancillary structures slated for FY22

Cogstone, a historic resources consultant, performed a historical assessment of all structures on the former Bergman property in January 2019. Six (6) buildings/structures on the property were deemed to be more than fifty years old and two (2) less than fifty years old. All eight (8) structures were evaluated for the California Register of Historical Places and none were identified to be eligible.

DISCUSSION

The former Bergman property in Russian Ridge Preserve has three residential structures that were repaired during the earlier phases of this project. Three other accessory structures are in such disrepair that renovation is not feasible and need to be demolished and removed per County permit conditions and code requirements. One of these demolitions involves an ADU and includes decommissioning the septic system and grading the hillside after demolition. The demolition of a small shed includes the disposal of miscellaneous materials stored in the shed. The demolition of the horse paddocks includes removing the electrical service and general cleanup of miscellaneous waste (old batteries, building supplies, fencing, etc.).

Contractor Selection

A Request for Bids was issued on April 29, 2021 and released to six (6) builders' exchanges. District staff posted a legal notice in the San Mateo County Times and the San Jose Mercury News, and an Invitation to Bid on the District website as well as BidSync. A pre-bid meeting was held on May 18, 2021 with two contractors in attendance. Sealed bids were due on June 2, 2021 and no contractors submitted a bid. The bid opening was extended by a week to June 7, and then extended again to June 15, 2021 and no bids were received. The project was widely advertised and did not receive any bids.

Board Purchasing Policy 3.03 recognizes that the purchasing procedures set forth in the policy may need to be waived in specific circumstances such as when three (3) bids or proposals are unavailable. These special circumstances are applicable here.

After making a reasonable attempt to obtain formal bids through a publicly advertised process, staff attempted to do the functional equivalent of obtaining competitive bids by contacting contractors individually to obtain pricing. Obtaining individual bids was deemed to be in the best interest of the District due to the following circumstances:

1. The District had already made a good faith attempt at obtaining publicly advertised bids, but this effort did not yield a responsible and responsive bidder.

2. The District has an obligation to demolish the structures to comply with County building code requirements.
3. Staff determined that District employees should not self perform the project using because internal capacity and expertise is not well suited for demolition work.

District staff was able to obtain bids from four contractors by contacting them individually. Bids ranged from \$89,000 to \$237,000. TKO submitted a bid of \$89,000 and is a responsible and responsive bidder for this project. TKO's specified price of \$89,000 is lower than the District's estimate for the work. Award of this contract to TKO constitutes an efficient use of District funds and resources.

FISCAL IMPACT

The FY22 adopted budget includes \$173,500 for the 61009 - Russian Ridge - Bergman Residences Reconstruction project. There are sufficient funds in the project budget to cover the recommended action and expenditures.

61009 - Russian Ridge - Bergman Residences Reconstruction	Prior Year Actuals	FY22 Adopted	FY23 Projected	Estimated Future Years	TOTAL
District Funded (Fund 40):	\$683,005	\$173,500	\$0	\$0	\$856,505
Total Budget:	\$683,005	\$173,500	\$0	\$0	\$856,505
Spent-to-Date (as of 07/27/21):	(\$683,005)	\$0	\$0	\$0	(\$683,005)
Encumbrances:	\$0	\$0	\$0	\$0	\$0
TKO General Engineering and Construction, Inc.:	\$0	(\$89,000)	\$0	\$0	(\$89,000)
10% Contingency:	\$0	(\$8,900)	\$0	\$0	(\$8,900)
Budget Remaining (Proposed):	\$0	\$75,600	\$0	\$0	\$75,600

The recommended action is not funded by Measure AA.

BOARD AND COMMITTEE REVIEW

The Bergman Demolition Project was presented to the Board or Public during the following meetings.

- **January 2010:** The Board approved the original purchase of the Bergman property. (R-10-115)
- **December 2018:** The Board approved the Partial Demolition, Repair, and Improvements Project. ([R-18-145](#), [meeting minutes](#))
- **August 2019:** The Board approved the Bergman Residences Reconstruction Phase III Project. ([R-19-115](#), [meeting minutes](#))

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

The District concludes the demolition of the structures is categorically exempt from the California Environmental Quality Act (CEQA) under Article 19, Sections 15301 and 15304 of the CEQA Guidelines. Section 15301(l) exempts demolition and removal of small residential and accessory structures. Section 15304 exempts the minor grading activities needed for slope stabilization following structure demolition.

NEXT STEPS

If approved, the General Manager will enter into a contract with TKO. Demolition is expected to be completed before October 15, 2021.

Responsible Department Head:

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