



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Mukesh (Mookie) Patel

SUBJECT: SEE BELOW

DATE: February 3, 2025

Approved

Date:

2/6/25

COUNCIL DISTRICT: Citywide

SUBJECT: Report on Bids and Award of Contract for 10472: SJC On-Call Mechanical Engineering Construction Contract 25-28 s

RECOMMENDATION

Report on bids and award of a contract for 10472 – SJC On-Call Mechanical Engineering Construction Contract 25-28 for maintenance projects at the San José Mineta International Airport to the lowest responsive, responsible bidder, Mesa Energy Systems, Inc., for a maximum not to exceed amount of \$3,000,000 for a duration of three years.

SUMMARY AND OUTCOME

Approval of the recommendation will enable the completion of small, unforeseen maintenance projects at the San José Mineta International Airport (Airport).

BACKGROUND

The SJC On-Call Mechanical Engineering Construction Contract 25-28 was initiated to procure one on-call construction contract in the amount of \$3,000,000 for a duration of three years. Task orders will be issued for minor maintenance and repair work, including mechanical system repairs and replacement of equipment such as pumps, valves, heating, ventilation, and air conditioning equipment, plumbing and other mechanical components at the Airport on an as-needed basis.

ANALYSIS

Bids were opened on November 7, 2024, with the following results that were evaluated on the basis of the lowest percentage markup.

| Contractor | Overhead and Profit Markup Rate (Percent) |
|--|--|
| Mesa Energy Systems, Inc. (San Leandro) | 6 |

Public Works received one bid for this procurement. The project team reviewed, and verified that Mesa Energy Systems, Inc. satisfies all minimum qualification requirements and that the overhead and profit markup rate of 6% is reasonable for this specialized work. Therefore, staff recommends proceeding forward in awarding the contract to the sole bidder and does not recommend readvertising the project.

Mesa Energy Systems, Inc., has prior experience working with the City of San José, including its current on-call contract with the Airport.

Wage Theft Prevention Policy Check

The Office of Equality Assurance reviewed bidders for compliance with the City’s Wage Theft Prevention Policy on November 8, 2024, and again on December 11, 2024. No wage theft issues were identified.

Project Labor Agreement Applicability

The City’s Project Labor agreement is applicable to this project because the Engineer’s Estimate is over \$1.21 million.

Local and Small Business Analysis

The recommended contractor is not a local or a small business enterprise. There are no subcontractors associated with the award of this on-call contract to report. Subcontractors will be determined at the time task orders are issued.

EVALUATION AND FOLLOW-UP

Task orders under the SJC On-Call Mechanical Engineering Construction Contract 25-28 will be approved by the Director of Public Works not exceeding the minor public works threshold, currently \$740,000. No additional follow-up action with the City Council is anticipated at this time.

HONORABLE MAYOR AND CITY COUNCIL

February 3, 2025

Subject: Report on Bids and Award of Contract for 10472: SJC On-Call Mechanical Engineering Construction Contract 25-28 Project

Page 3

COST SUMMARY/IMPLICATIONS

No funding is needed to approve the recommendation for contract award associated with this memorandum. Funding sources will be identified prior to the issuance of task orders to the contractor as detailed scopes of work are identified and costs and schedules are negotiated, subject to the appropriation of funds.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the February 25, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution

/s/
MATT LOESCH
Director of Public Works

/s/
MUKESH (MOOKIE) PATEL
Director of Aviation

For questions, please contact Sal Kumar, Deputy Director of Public Works, at sal.kumar@sanjoseca.gov.