



# CITY OF SALINAS

## COUNCIL STAFF REPORT

**DATE:** JUNE 17, 2025

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT

**FROM:** DAVID JACOBS, P.E., L.S., PUBLIC WORKS DIRECTOR

**BY:** VICTORIA GUTIERREZ, JUNIOR ENGINEER  
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**TITLE:** BID PROTEST FOR THE 2025 PAVEMENT IMPROVEMENTS PROJECT

### RECOMMENDED MOTION:

A motion to approve a resolution accepting the Bid Protest submitted by Granite Construction Company contesting McKim Corporation's self-designation as a Local Business Enterprise for the 2025 Pavement Improvements Project.

### BACKGROUND:

On May 23, 2025, five bids were electronically received, opened and publicly read via a Zoom meeting for the 2025 Pavement Improvements Project. Five bids were received with the following results:

**Table 1: SUMMARY OF BIDS RECEIVED**

Contractor	Base Bid and Additive Alternatives
McKim Corp.	\$4,780,122.31
Granite Construction Co.	\$4,838,830.20
Granite Rock Co.	\$4,871,888.44
Coastal Paving & Excavating Inc.	\$4,984,999.00
JV Lucas Paving Inc.	\$6,094,206.25

At bid opening, McKim Corporation, Granite Construction Co., Granite Rock Co, and Costal Paving & Excavating Inc indicated on their proposals that they met the requirements of a Local Business Enterprise as defined by Salinas Municipal Code Chapter 12, Article III-A.

On May 28, 2025, the City received a bid protest from Granite Construction Company. Granite Construction Company, the apparent second low bidder, submitted a bid protest stating that McKim Corporation is not eligible for the 5% local business preference.

Salinas Municipal Code Chapter 12, Article III-A, Section 12-28.050.(a)(2) states that a local preference shall be applied to public works contracts to a local business provider defined as "having its principal business office established at an office space and not a personal residence located within the tri-county area (Monterey County, San Benito County, and Santa Cruz County)." McKim Corporation currently has a principal business office located in Santa Clara

County (Gilroy, CA.). Additionally, McKim Corporation does have a current City of Salinas business license.

McKim Corporation has responded to this bid protest claiming they have an office in Carmel, CA. Staff contacted Anna Aubuchon a Financial Specialist from the City of Carmel-by-the-Sea, CA. was informed that there was no record of a business license for McKim Corporation. A review of McKim Corporation's state contractor's license indicates they are headquartered in Gilroy, CA. The City of Salinas does not have a Declaration of Local Business Enterprise form on file for McKim Corporation.

Having reviewed the evidence, City staff have determined that the bid protested presented by Granite Construction Co. holds merit and recommends that the City Council award the 2025 Pavement Improvements Project to Granite Construction Co.

#### CEQA CONSIDERATION:

**Not a Project.** The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

#### CALIFORNIA GOVERNMENT CODE §84308:

No. The Government Code §84308/Levine Act does not apply as this is a competitively bid contract.

#### STRATEGIC PLAN INITIATIVE:

This project relates to the Council's Goals of Infrastructure and Environmental Sustainability and Public Safety by enforcing the City's contract and Salinas City Code for pavement maintenance.

#### DEPARTMENTAL COORDINATION:

Public Works staff and the City Attorney have worked together on investigating this bid protest.

**FISCAL AND SUSTAINABILITY IMPACT:**

Fund	CIP Project	Appn	Appn Name	Total App	Amount of Recommendation	FY 24-25 Operating Budget Page	Last Budget Action (Date, Resolution)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**ATTACHMENTS:**

- Resolution
- Exhibit A – Bid Protest
- Exhibit B – Bid Protest Response
- Exhibit C – Salinas City Code Section 12-28.050.