



AGENCY:	City Council
MEETING DATE:	July 10, 2023
DEPARTMENT:	Public Works
PRESENTED BY:	C. O'Neal
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AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Accepting the Bid of Argonaut Constructors as the Lowest Responsive Bid, Awarding the 2022 Streets Rehabilitation Project, City Project No. PWP-00120, to Argonaut Constructors and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$3,611,831.45; Account No. 421-4870-0731)

ISSUE:

Bids for the 2022 Street Rehabilitation Project were opened on June 29, 2023. Two bids were received, one from Argonaut Constructors and one from Granite Construction Company. Both bids were considered responsive and responsible. The lowest base bid came from Argonaut Constructors for \$3,073,366.85 with the total bid including two alternates of \$3,985,075.60. The higher base bid came from Granite Construction in the amount of \$3,651,371.85 with the total bid including two alternates of \$4,415,700.30. Given the available budget, staff recommends accepting the base bid plus alternate two (Harold Street) from Argonaut Constructors for a total contract amount of \$3,611,831.45.

ANALYSIS:

This project scope includes approximately two (2) miles of new pavement, three (3) miles of additional pavement marking and striping (on streets not receiving other pavement treatment), replacement of the decorative crosswalks in the Central Business District, and a host of safety improvements along North and South Harold Street, including installation of bulb-outs at Oak Street, high-visibility crosswalks in the school zone, and warning signage along the corridor. Table 1 below lists the project outputs and Figure 1 shows the project locations.

Project Components	Quantities
<i>Pavement (lane miles)</i>	<i>2 Miles of local road rehabilitated</i>
<i>ADA Improvements</i>	<i>Repair/upgrade 15 curb ramps</i>
<i>Pavement Marking and Stripe</i>	<i>Remove and replace roadway markings on 3 Miles of roadway</i>
<i>HSIP-Project</i>	<i>Install high visibility crosswalks, 4 EA bulb outs, warning signs, 4 EA ADA compliant curb ramps</i>

Table 1: 2022 Street Project Outputs

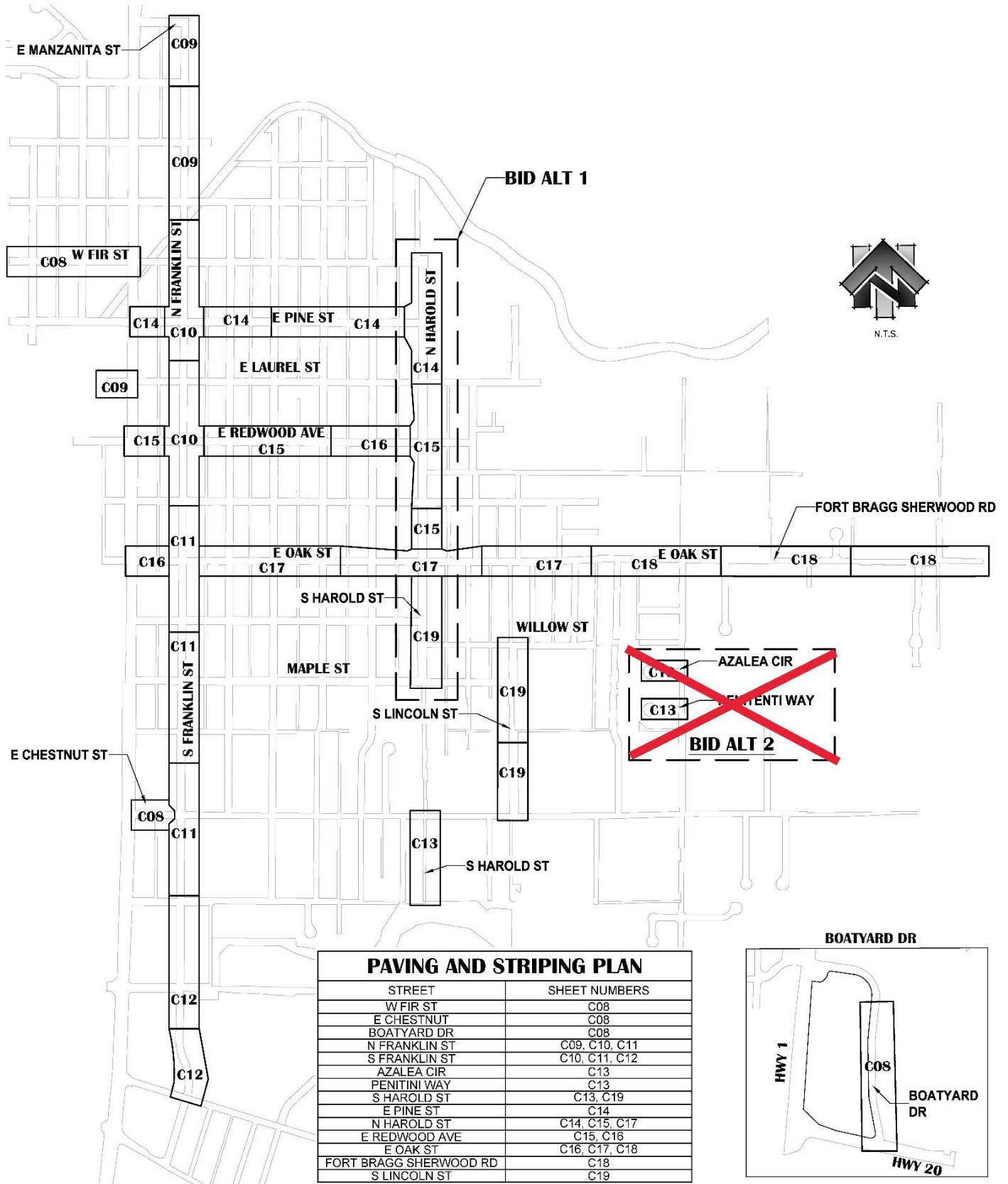


Figure 1: Project Location Map

FISCAL IMPACT:

The total project budget available, which includes design, construction, and engineering construction management, is \$4,382,768. The major funding sources for the project are the City's special street sales tax, State Road Maintenance and Rehabilitation (RMRA) Local Partnership Program (LPP), Highway Safety Improvement Program (HSIP), and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding. Each of these fund sources are dedicated to the improvement and rehabilitation of the City streets, alleys, and safety projects. The engineer's estimate of probable costs from R.E.Y. Engineers was a base bid of \$2,662,410 base, or \$3,351,824 with Alternates 1 & 2 included. The lowest bid calculation uses the base bid plus all the alternatives total as described in the Notice Inviting Bids. The contract price of the apparent low bidder, Argonaut Constructors, is \$633,251.60 (or 19%) over the engineer's estimate of costs.

Based on the project budget and the submittals received, only one of the two alternates will be included in the construction contract. The design portion completed by R.E.Y. Engineers cost \$296,400 in Fiscal Year 21/22 & 22/23. In order to cover the cost of construction management and to incorporate a budget contingency for unforeseen circumstances, City staff recommends the project proceed with rehabilitation to include the base items and Alt 1-Harold Street Safety Improvement (excluding Alt 2- Azalea and Penitenti) for the project scope. The HSIP portion of the funds (\$248,130) must be used to complete the work on Harold Street.

Construction costs including base bid and the selected alternate brings the total construction contract cost to \$ 3,611,831.45. This cost is within the budgeted project amount and leaves a 3% contingency. Contingency is built into construction project budgets, as final costs are based on the quantity of contract items installed times their unit cost. The installed quantities frequently vary from the bid schedule and unexpected problems come up during construction requiring contract change orders and use of the contingency funding. Contingency is typically set at 10% of the construction costs, so the 3% available is less than what is usually set aside. There is adequate budgeted funding available for this project as recommended. A complete picture of the budget and the proposed construction and construction management being recommended for this project is shown in Table 2 below.

Table 2: Budget Fund Sources		
BUDGET	Local Partnership Program	\$ 600,000.00
	Fund 250, Special Sales tax - Street Repair	\$ 2,805,233.00
	D1 - Grant	\$ 206,405.00
	Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)	\$ 162,000.00
	Highway Safety Improvement Program (HSIP)	\$ 248,130.00
	Water Enterprise	\$ 180,500.00
	Wastewater Enterprise	\$ 180,500.00
	TOTAL BUDGET	\$ 4,382,768.00
PROJECT DEVELOPMENT/SUPPORT		Cost
	Design	
	R.E.Y. Design Engineers-Phase	\$ 296,400.00
	Construction Management	
	Base Cost	\$ 307,337
	Alt 1	\$ 53,846
	Alt 2	\$ 55,987
	Total	\$ 417,169.77
	Estimated Total Excluding Alt 2	\$ 361,183.15
CONSTRUCTION		
	CONTRACTOR	
	Base Bid	\$ 3,073,366.85
	Alt #1 Harold Street	\$ 538,464.60
	Alt #2 Azalea and Penitini	\$ 373,244.15
	Bid Total	\$ 3,985,075.60
	Proposed Construction Contract Amount	\$ 3,611,831.45
	CONTINGENCY (Only 3% remaining in Budget)	\$ 113,353.40
	TOTAL PROPOSED PROJECT COST	\$ 4,382,768

Figure 2: Project Budget and Costs

GREENHOUSE GAS EMISSIONS IMPACT:

There will be a short-lived increase of greenhouse gas emissions during the construction phase due to the asphalt processes and equipment necessary for the performance of the work. Increases in greenhouse gases will only occur during actual construction. All Air Quality Management District best management practices for minimizing greenhouse gas emissions during construction, like reducing idling vehicles will be incorporated into the daily activities of this project. Additionally projects like this that support the maintenance and long-term utility of existing streets, roads, and highways are consistent with the Preferred Growth Scenario of VisionMendocino2030, which was developed as a local version of the California Air Resources Board Sustainable Communities Strategy Blue Print Plan.

CONSISTENCY:

The primary funding source for this project is Special Street Sales Tax. This special purpose transaction and use tax was passed by the voters in 2004 and extended again in 2014. The special sales tax is currently scheduled to sunset in 2024, but a measure for the extension is scheduled for the November 2023 special election. This City’s Special Street Sales Tax, makes us a “Self-Help” City under RMRA, which entitles us to the additional LPP state funds described above. The purposed of both the Special Street Sales tax and RMRA funds are for repairing, maintaining and reconstructing City streets.

RECOMMENDED ACTION:

Accept the bid of Argonaut Constructors and adopt the Resolution awarding the contract for construction to Argonaut Constructors for the 2022 Streets Rehabilitation Project. The project award includes base bid items and the one selected alternate location (Alt #1).

ALTERNATIVE ACTION(S):

Direct staff to modify the alternative locations selected for inclusion in the project.

IMPLEMENTATION/TIMEFRAMES:

Bid Opened – June 29, 2023

Award Construction Management Contract – July 24, 2023

Start Construction – July 28, 2023

Complete Construction – October 15, 2023

ATTACHMENTS:

1. Resolution
2. Bid Opening

NOTIFICATION:

1. Argonaut Constructors
2. Granite Construction