



AGENCY: City Council
MEETING DATE: August 12, 2019
DEPARTMENT: Public Works
PRESENTED BY: C. O'Neal
EMAIL ADDRESS: coneal@fortbragg.com

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 2019 Streets Rehabilitation Project, City Project No. 2018-04, to Argonaut Constructors and Authorizing City Manager to Execute Contract (Amount Not To Exceed \$1,585,187.00; Account No. 405-4870-0731)

ISSUE:

Bids for the 2019 Street Rehabilitation Project were opened July 25, 2019. 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 in the amount of \$1,458,236.50 with the total bid including all three alternates of \$1,759,311.50.

ANALYSIS:

This project scope includes the rehabilitation of approximately one mile of City streets through the use of full depth reclamation and/or surface reconstruction. Fourteen (14) streets are prioritized in the base bid, and three (3) additional streets were advertised as alternate bid locations for a total of seventeen (17) streets shown below in Table 1. There were two additional locations included in the base bid. These include repairs for a drainage issue impacting a stretch of sidewalk on the 400 block of N. Harrison Street and the removal of the traffic circle on Fir Street.

Table 1: 2019 Street Rehabilitation Project			
1	Alger Street	8	N. Harold Street #2
2	Dubois Lane	9	Olsen Lane
3	E. Fir Street #2	10	Rasmussen Lane
4	Espey Way	11	Spring Street
5	Halsey Way	12	W. Alder Street
6	Myrtle Street	13	W. Redwood Street
7	N Harold Street	14	Woodward Street
Alternates			
#1	Hazel Street #3		
#2	Ness Ave		
#3	W. Fir Street		

The total project budget which includes design, construction, and construction management is \$2,150,000. This rehabilitation project is funded primarily through the City's special street sales tax (\$1,950,000) with the other \$200,000 in funding from State Road Maintenance and Rehabilitation (RMRA) funding. Both of these fund sources are

dedicated to the improvement and rehabilitation of the City's streets and alleys. The engineer's estimate of probable costs from Green Valley Engineers was a base bid of \$1,413,000 or \$1,693,000.00 when all three alternate locations were 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 \$45,236.50 (or 3%) over the engineer's estimate of costs.

Based on the project budget and the submittals received, only two of the three alternate streets will be included in the construction contract. The design portion completed by Green Valley Consulting Engineers cost \$156,810.00. 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, Alt 1-Hazel Street & Alt 2- Ness Avenue (excluding Alt 3- W. Fir Street) for the project scope. Construction costs including base bid plus the two selected alternates brings the total construction contract cost to \$1,585,187.00. 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: Staff Recommended Contract Components			
<u>BUDGET</u>	Local Partnership Program		\$200,000.00
	Fund 250, Special Sales tax - Street Repair		\$1,950,000.00
TOTAL BUDGET			\$2,150,000.00
<u>PROJECT DEVELOPMENT/SUPPORT</u>			<u>Cost</u>
<u>Design</u>			
Green Valley Construction Engineers		\$	156,810.00
<u>Construction Management</u>			
LACO Associates	Base Cost	\$	190,000.00
	Alt #1 Hazel St.	\$	10,700.00
	Alt #2 Ness Ave.	\$	15,200.00
	Alt #3 W. Fir St.	\$	10,700.00
Proposed PSA Contract Total Excluding Alt #3		\$	215,900.00
<u>CONSTRUCTION</u>			
Argonaut Constructors	Base Bid	\$	1,458,236.50
	Alt #1 Hazel St.	\$	63,176.50
	Alt #2 Ness Ave.	\$	63,774.00
	Alt #3 W. Fir St.	\$	174,124.50
Proposed Construction Contract Total Excluding Alt #3		\$	1,585,187.00
<u>CONTINGENCY</u>			\$190,000.00
TOTAL PROPOSED PROJECT COST			\$ 2,147,897.00

RECOMMENDED ACTION:

Accept the bid of Argonaut Constructors and adopt the Resolution awarding the contract for construction to Argonaut Constructors for the 2019 Streets Rehabilitation Project. The project award includes base bid items plus the two selected alternate locations (Alt #1 and Alt #2).

ALTERNATIVE ACTION(S):

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

FISCAL IMPACT:

The proposed contract costs with includes the base bid amount plus the two selected alternatives is \$1,585,187.00. This cost is within the budgeted project amount and leaves a 9% 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. There is adequate budgeted funding available for this project as recommended.

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 BluePrint Plan.

CONSISTENCY:

The primary funding source for this project is Special Street Sales Tax, Measure H. 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. This City's Special Street Sales Tax, makes us a "Self-Help" City under RMRA, which entitles us to the additional state funds described above. The purposed of both the Special Street Sales tax and RMRA funds are for repairing, maintaining and reconstructing City streets.

IMPLEMENTATION/TIMEFRAMES:

Bid Opened – July 25, 2019

Start Construction – August 27, 2019

Complete Construction – December 24, 2019

ATTACHMENTS:

1. Bid Opening
2. Resolution
3. Contract
4. Notice of Award

NOTIFICATION:

1. Dave Stanford
2. Justin Ingram
3. Holly Cinkutis, PE