



AGENDA MEMORANDUM

Action Item for the City Council Meeting of September 24, 2019

DATE: August 26, 2019

TO: Peter Zaroni, City Manager

THRU: Mark Van Vleck, Assistant City Manager
markvv@cctexas.com
(361) 826-3082

FROM: Jeff H. Edmonds, P. E., Director of Engineering Services
jeffreye@cctexas.com
(361) 826-3851

Albert Quintanilla, P.E., Director of Street Operations
albertq@cctexas.com
(361) 826-1957

Construction Contract
Minor Street Improvement Indefinite Delivery/Indefinite Quantity (IDIQ) program

CAPTION:

Motion awarding a contract to Grace Paving and Construction, Inc. for the Minor Street Improvement Indefinite Delivery/Indefinite Quantity (IDIQ) program for an amount up to \$4,600,000 for the base year with two (2) optional one-year administrative renewals for a total contract value up to \$13,800,000, upon issuance of notice to proceed with funding approved and available from the Street Operating budget and Capital Improvement Program budget.

SUMMARY:

This motion will award a construction contract that exists due to demands for street repair work that frequently exceeds Street Operations' capacity to make repairs. The IDIQ program total contract value will not exceed \$13,800,000 with funding available from the Street Operating budget and Capital Improvement Program budget.

BACKGROUND AND FINDINGS:

This program exists because demands for street repair work frequently exceeds Street Operations' capacity to make repairs. This can be due to increased demands for service or reduced capacity to make repairs resulting from staff losses, equipment breakdowns or other problems. This contract provides a flexible tool for Street Operations to help expedite the resolution of street repair requests.

The construction contract is established in an IDIQ format. The itemized bid form contains an extensive list of pay items intended to address all work likely to be undertaken with the contract. The pay items include asphalt and concrete pavement rehabilitation activities, repairs to curb & gutter, driveways, sidewalks, ADA ramps, and other incidental items. The IDIQ contract method provides for multiple delivery orders (DO's) that are developed using sketches of the required work, the

contractor's unit bid prices and detailed quantity take-offs. The individual DO's provide specific quantities of work, time of performance and total cost. An indefinite number of DO's will be issued for construction up to the amount approved.

The Minor Street Improvement IDIQ construction contract is structured as a 1-year base period plus up to two optional 1-year extensions. Option years may be administratively authorized by the City Manager, or his designee, based on the availability of funds and successful performance by the contractor.

This construction contract was developed in three parts (A, B & C) based on funding source. Funds are programmed in Street Department Operations, the Capital Improvement Plan (CIP) and Street Preventative Maintenance Program (SPMP) as described below:

- Part A (Street Operations & Maintenance - #19061A) – Provides for Street Operations support for large area rehab/repairs and includes a requirement to provide a pothole repair crew, if needed.
- Part B (CIP/Bond Programs - #19062A) – Provides for Special Projects for pavement and miscellaneous concrete improvements such as parking lots, driveways, sidewalks, and other miscellaneous improvements. Many of these special projects are to implement Bond 2018 site improvements for Parks and Recreation, Fire Stations, Police Headquarters and Substations, and other City owned facilities.
- Part C (SPMP Street Fee – 19063A) – Provides for preparatory repair work to support SPMP seal coat surface treatments that are being performed by in-house resources.

The award is based on a maximum annual amount of \$4,600,000 with no guaranteed minimum for the Contractor. The contract provides for an economic adjustment at renewal time based on published cost-of-construction indices acceptable to the City.

On July 31, 2019 the City received proposals from two (2) bidders. A summary of the bids is provided below.

BID SUMMARY	
CONTRACTOR	BASE BID
Grace Paving & Construction, Inc. Corpus Christi, TX	\$4,169,664.50
A. Ortiz Construction & Paving, Inc. Corpus Christi, TX	\$4,408,726.00
<i>Engineer's Opinion of Probable Cost</i>	\$4,600,000.00

The City analyzed the bids in accordance with the contract documents and determined that Grace Paving & Construction, Inc. is the lowest responsive and responsible bidder.

ALTERNATIVES:

This project helps provide critical repair activities on City streets and supports the Street Operations seal coat program. Not awarding the construction contract could delay requested street repairs and delay Street Operations' schedule for seal coats.

FISCAL IMPACT:

This construction contract in the amount of \$4,600,000 for one year with two (2) optional one-year

administrative renewals for a not to exceed contract value of \$13,800,000 to Grace Paving and Construction, Inc., for minor street repairs under the Minor Street Improvement Indefinite Delivery/Indefinite Quantity (ID/IQ) program, scheduled to start upon issuance of DO's. Funding for the contract is programmed and available in the Street Operating budget and from the Capital Improvement Program budget.

For projects using Capital Improvement Program funds (Part B - CIP/Bond Programs - #19062A), the funding is encumbered at the issuance of the DO and is charged against the specific capital project it is benefitting. Since the specific scopes and projects have not been developed yet, the funding activity has not yet been determined. DO's may be issued with values up to the yearly contract amounts only for this project category.

Financial Detail:

Fund: Streets (Fund 1041)
Mission Element: Streets (ME 051)
Account: Construction (550910)
Org: Surface Preservation (Org 12430)
Org: Street Preventative Maintenance Program (Org 12415)
Activity: 19061-A-1041-EXP (Org 12430)
Amount: \$1,700,000
Activity: 19063-A-1041-EXP (Org 12415)
Amount: \$500,000

RECOMMENDATION:

City recommends awarding the IDIQ construction contract to Grace Paving & Construction, Inc. for \$4,600,000 for the base year with the opportunity for two (2) optional one-year administrative renewals for a total contract price up to \$13,800,000. The construction duration is 12 months from issuance of the Notice to Proceed with two optional 1-year extensions. Work will start in October 2019.

LIST OF SUPPORTING DOCUMENTS:

Location Map
Presentation
Bid Tab