





INFORMAL STAFF REPORT

MEMORANDUM

To: Ron L. Olson, City Manager

Thru: Oscar R. Martinez, Assistant City Manager 

From: Dan Biles, P.E., Interim Department Head 

Date: June 7, 2012

Subject: Bond Issue 2008: Downtown Streets – Chaparral Project

Issue/Problem

On Wednesday, February 29, 2012, the Downtown Streets – Chaparral Project accepted bids and the bids received were significantly over the budgeted amount. The project plans were then modified and clarified and the project was re-bid on May 30, 2012. The same two general contracts submitted new bids, and again, they were over the approved project budget.

Background & Findings

This project was approved in the November 2008 Bond Election and on June 29, 2010 a contract was issued to Gignac and Associates to begin the preliminary design phase of this project to include seeking public input and develop conceptual plans for this project. A stakeholders meeting was held on August 3, 2010 and again on October 26, 2010 to solicit public feedback from major stakeholders on project support, concerns, and concepts. On January 25, 2011, the consultant made a presentation to City Council with the results of their findings and a proposed schematic of the project. On April 26, 2011, an amendment was awarded to Gignac and Associates to begin developing final project plans based on public and City Council input.

On the February 29th bid date, the A/E construction estimate was \$3,171,355 (base bid only) and the low bid was \$4,906,428. (See Attachment One) After consulting with the project consultant, City staff rejected bids because of high prices. It was determined that the sole sourcing of many items was partially responsible for the higher prices. The consultant was instructed to re-work the specifications and the project would re-bid. Upon re-bid, the prices were not substantially lower. City staff feels the higher prices are reflective of the character of the project.

2nd Bid Information:

This project consists of the redesign of the roadway, utilities and sidewalks of Chaparral Street between William Street and Schatzel Street. The street portion will consist of a concrete surface street with eight-foot parking lanes. New signals will be installed at the three (3) intersections. The parking lanes will be constructed of designed, colored pavers. Adjacent twelve-foot sidewalks will consist of contrasting designed colored pavers, planters, benches, trash receptacles, specialized parking meters and street lighting. The base bid will also include landscaping and irrigation to enhance the overall atmosphere of the street. As part of this project, required utility improvements include the complete replacement of the affected wastewater, water and storm water lines with new drainage system, fire hydrants and manholes.

The project includes five (5) additive alternates consisting of:

Additive Alternate #1: Catenary Lighting at Intersections of William, Lawrence and Schatzel. (Catenary is specialized lighting that will replace the street lighting included in the base bid)

Additive Alternate #2: Catenary Lighting at the three (3) intersections and mid blocks.

Additive Alternate #3: Roadway Pavers (between intersections) covering the concrete street.

Additive Alternate #4: District Signage with lighting (to be located on IH 37 for visitor information)

Additive Alternate #5: Partial Closure of Roadway (Base bid consists of full closure)

On the May 30th re-bid, proposals were received from two contractors. (See Attachment Two) The difference in lowest base bid price between the two bid dates is \$87,358 lower in bid two.

Conclusion

The City could proceed in several directions at this point including:

Option One: The project could be re-modified and re-bid to bring the price within the currently budgeted amount. This would greatly affect the design of the project and the desired character of the improvements. The result would not be the level of enhancement the stakeholders have proposed for the area.

Option Two: The project could be discontinued at this time and funded in the future through either a general bond election or through the use of the existing downtown tax increment financing district funds.

Option Three: The project could proceed awarding the base bid and a combination of additive alternates that accomplish the desired stakeholder outcome. Additional funding required (See Attachment Three) could come from either surplus Bond 2008 Street proceeds or the City could issue Certificates of Obligations similar to what was done to complete the Bayfront Master Plan Phase 1 construction contract to stakeholder expectations.

Chaparral:

1st Bid:

Project was bid on Feb-29-2012. Two general contractors bid the job and bid results were as shown below;

Description	Reytec Construction Inc.	Texas Sterling Co.
TOTAL BASE BID	\$4,906,428.00	\$6,297,631.20
BASE BID PLUS ALTERNATE NO. 1	\$6,106,428.00	\$7,392,631.20
BASE BID PLUS ALTERNATE NO. 1+2	\$6,292,803.00	\$7,603,856.20
BASE BID PLUS ALTERNATE NO. 1+2+3	\$7,192,803.00	\$8,448,856.20
BASE BID PLUS ALTERNATE NO. 1+2+3+4	\$6,852,803.00	\$8,109,006.20
BASE BID PLUS ALTERNATE NO. 1+2+3+4+5	\$6,902,803.00	\$8,154,006.20
BASE BID PLUS ALTERNATE NO. 1+2+3+4+5+6	\$6,918,803.00	\$8,168,506.20
BASE BID PLUS ALTERNATE NO. 1+2+3+4+5+6+7	NO BID	\$8,448,506.20

A/E project estimate for base bid was \$3,171,355 and lowest base bid received was \$4,906,428. Out of 4 general contractors, only two bid the job. After bid evaluation, the bids were rejected because of high bid prices.

2nd Bid:

The project plans were modified to address bidders concerns during first bid and to eliminate sourcing of specialized items. Project estimate was revised by A/E and project was re-bid on May-30-2012 and bid results are as follows;

Description	Reytec Construction Inc.	Texas Sterling Co.
Total Base Bid	\$4,819,070.00	\$4,990,408.00
Additive Alternate No. 1	\$738,056.00	\$645,572.00
Additive Alternate No. 2	\$1,310,852.00	\$1,114,764.00
Additive Alternate No. 3	\$208,740.00	\$211,225.00
Additive Alternate No. 4	\$74,700.00	\$27,450.00
Additive Alternate No. 5	NO BID	\$320,000.00

Description of base bid and Additive Alternates is shown in Exhibit A attached.

The City received bids from two general contractors again this time. A/E project estimate for base bid is \$3,739,300 and lowest base bid received is \$4,819,070. The available funds for construction are \$2,516,426. In order to award the construction contract, minimum and maximum additional funds required have been shown in Exhibit B.

DOWNTOWN STREET IMPROVEMENTS CHAPARRAL STREET WILLIAM STREET TO SCHATZEL STREET - <u>REBID</u> CITY PROJECT NO. 6510		Reytec Construction REBID	Texas Sterling Construction REBID
DESCRIPTION	AMOUNT	AMOUNT	AMOUNT
A. Base Bid - Civil - General			
A-1 Prepare Right of Way	\$270,000.00		\$266,500.00
B. Base Bid - Civil - Streets			
Civil work; excavation, base and concrete roadway with out pavers. Full closure traffic control.	\$695,581.00		\$746,295.00
C. Base Bid - Civil - Water			
New 8" PVC line, new services, connections, Fire hydrants etc	\$229,736.00		\$418,450.00
D. Base Bid - Civil - Sanitary Sewer			
12" gravity line, new services, MH etc	\$367,390.00		\$465,350.00
E. Base Bid - Civil - Storm Water			
New trench drain system	\$213,716.00		\$202,600.00
F. Base Bid - Civil - Storm Water Pollution Prevention Plan			
SWP3, Best Management Practices	\$18,780.00		\$14,384.00
G. Base Bid - Electrical			
Power pedestals, receptacles, power pole connections, street light fixtures etc	\$419,900.00		\$339,285.00
H. Base Bid - Sidewalk			
Sidewalk/vehicular/detectable pavers, paver covers for utilities, planter drains, power poles, trash receptacles, parking meters, benches and bollards etc.	\$1,986,720.00		\$2,092,585.00
J. Base Bid - Irrigation			
Irrigation system	\$63,720.00		\$25,400.00
K. Base Bid - Planting			
Palm and Oak tree, planters and soil etc.	\$235,480.00		\$98,700.00
L. Base Bid - Traffic Signals			
Signal Improvements at William, Lawrence and Schatzel intersections	\$318,067.00		\$330,859.00
TOTAL BASE BID (Parts A+B+C+D+E+F+G+H+J+K+L)	\$4,819,070.00		\$4,990,408.00
M. Additive Alternate No. 1			
Catenary Lighting at Intersections of William, Lawrence and Schatzel	\$738,056.00		\$646,572.00
N. Additive Alternate No. 2			
Complete Catenary Lighting; Intersections and mid blocks	\$1,310,852.00		\$1,114,764.00
O. Additive Alternate No. 3			
Roadway Pavers (Between Intersections)	\$208,740.00		\$211,225.00
P. Additive Alternate No. 4			
District Markers with lighting	\$74,700.00		\$27,450.00
Q. Additive Alternate No. 5			
Partial Closure Traffic Control	NO BID		\$320,000.00
Total Base Bid	\$4,819,070.00		\$4,990,408.00
Additive Alternate No. 1	\$738,056.00		\$646,572.00
Additive Alternate No. 2	\$1,310,852.00		\$1,114,764.00
Additive Alternate No. 3	\$208,740.00		\$211,225.00
Additive Alternate No. 4	\$74,700.00		\$27,450.00
Additive Alternate No. 5	NO BID		\$320,000.00

PROJECT BUDGET

DOWNTOWN STREET (CHAPARRAL)
 BOND ISSUE 2008
 (Project No. 6510)
 June 6, 2012

FUNDS AVAILABLE:

Bond 2008 Streets.....	\$2,000,000.00
Additional Street Funds Required.....	\$4,825,886.00
Utilities CIP.....	1,500,000.00
Total.....	<u>\$8,325,886.00</u>

FUNDS REQUIRED:

Construction (Base Bid plus Additive Alts. #2, 3, & 4).....	\$6,413,362.00
Contingencies (10%).....	641,336.00

Consultant Fees:

Consultant - (Gignac Architects).....	757,883.00
Consultant - (HDR Engineering).....	114,250.00
Consultant - (Gignac Landscape Architecture).....	14,480.00
Consultant - (Grant Preparation).....	21,400.00
Testing - (Geotechnical & Material Testing).....	36,675.00

Reimbursements:

Contract Administration (Contract Preparation/Award/Admin).....	80,000.00
Engineering Services (Project Mgt/Constr Mgt/Traffic Mgt).....	60,000.00
Construction Observation Services (not included in Consultant Services).....	166,500.00
Misc. (Printing, Advertising, etc.).....	20,000.00
Total.....	<u>\$8,325,886.00</u>

FUNDS REMAINING..... \$0.00