



AGENDA MEMORANDUM

Action Item for the City Council Meeting of April 20, 2021

DATE: April 20, 2021

TO: Peter Zanoni, City Manager

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

Richard Martinez, Director of Public Works
richardm5@cctexas.com
(361) 826-3419

Heather Hurlbert, CPA, Director of Finance & Business Analysis
heatherh3@cctexas.com
(361) 826-3227

<p style="text-align: center;"><u>Construction Contract Award</u> Residential Street Rebuild Program Re-Bid Base Bid A</p>
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CAPTION:

Motion awarding a construction contract to JE Construction Services, Corpus Christi, Texas, for the Residential Street Rebuild Program: Re-Bid Base Bid A in an amount of \$6,144,164.90, for 15 streets located in Council Districts 1, 3, and 4, with FY 2021 funding available from the Residential Street Reconstruction, Storm Water, Wastewater, Water and Gas Capital Funds.

SUMMARY:

This motion approves a construction contract with JE Construction Services for Re-Bid Base Bid A for the Residential Street Rebuild Program (RSRP). The RSRP bid includes construction of 15 streets projects located in various Council District.

BACKGROUND AND FINDINGS:

RSRP Re-Bid Base Bid A project will repair selected residential streets citywide by extending the life and structural integrity of existing pavement through rehabilitation or replacing failed pavement through reconstruction of a pavement section to current City standards with limited sidewalk repairs, ADA ramps, striping, and pavement markings.

RSRP (2020-2021) is a city-wide program that is divided into six parts, residential street reconstruction and the residential street rehabilitation projects. The residential street

reconstruction is further divided into three parts (Base Bid A, Base Bid B, Base Bid C) and residential street rehabilitation is further divided into three parts (Base Bid C, Base Bid D, and Base Bid E). The previous five parts have been approved with this being the last part being recommended for approval. Attached is the funding information that shows the funding information for each project.

This contract will construct 15 streets, with streets located in Council districts 1, 3, and 4 as outlined in the attachment. The RSRP Construction contracts are developed as Indefinite Delivery Indefinite Quantity contracts with defined construction durations but somewhat indefinite quantities. The unit prices of the items are fixed, and actual quantities of work are approximate at the time of bid. Actual quantities are determined with the issuance of Delivery Orders (DO's). The quantities of work required are accurately defined with each deliver order issued. Pricing on the DO is based on the contractor's bid price for each item of work and actual quantities of work performed. This format allows the construction to proceed in parallel with the design process rather than having to fully flesh out the designs before work can be bid.

PROJECT TIMELINE:

2021												2022								
J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
Bid / Award				Construction																

The project schedule reflects City Council award in April 2021 with anticipated completion in September 2022.

COMPETITIVE SOLICITATION PROCESS

RSRP Re-Bid Base Bid A was previously advertised for Bids in April 2020 (no bids received) and June 2020. When this part bid in June 2020, JE submitted the low bid but it was not awarded due to concerns over JE's capacity to execute the volume of City work they had under contract. Since there was a significant difference between the second lowest bidder and the engineer's estimate, the project was not awarded. The project was re-advertised for bids in December 2020.

On January 27, 2021, the City received bids from three bidders. A summary of the bids is provided below showing JE Construction as the low bidder. As a result of the previous concerns with JE's contract capacity, staff met with JE on March 9, 2021 to determine if JE had the capacity to meet the project deadlines. During the meeting, JE demonstrated that they substantially completed the Sunnybrook Sidewalk Project and has made acceptable progress on the Residential Street Rebuild Program Base Bid C as well as the Bond 2018 Airline Road project from SPID to McArdle. Based on the discussions and improvements in JE's execution since June of 2020, staff is now in a position to recommend acceptance of JE's low bid for the RSRP Re-Bid Base Bid A contract.

BID SUMMARY – BASE BID A (Reconstruction)	
CONTRACTOR	BASE BID
A. Ortiz Construction & Paving	\$7,279,202.71
JE Construction Services	\$6,144,164.90
Mako Contracting	\$7,237,055.00
<i>Engineer’s Opinion of Probable Cost</i>	\$6,554,062.10

ALTERNATIVES:

An alternative is to award the contract to the number 2 bidder and declare JE Construction non-responsive a second time. This would result in cost escalation of approximately \$1.1 million. Another alternative is to advertise for bids a fourth time. This would further delay the execution of the residential street reconstruction proposed for execution under this contract.

FISCAL IMPACT:

The fiscal impact in FY 2021 is an amount of \$6,144,164.90 with funding available from the Residential Street Reconstruction, Storm Water, Wastewater, Water and Gas Capital Funds.

FUNDING DETAIL:

RSRP has a total approved funding of \$30.86 million per the Capital Improvement Program (CIP) for the FY2020 and FY 2021. Below is the breakdown:

- \$10.55 million was approved with Bond 2018,
- \$14.87 million was budgeted for FY2020 and FY2021 from Residential Street Property Tax
- \$5.44 million was budgeted from utilities, storm water and gas funds

Attached is the detailed funding information for the project. The design funds for the project were budgeted with the construction expenditures. The CIP page will be revised to show the design expenditures.

Fund: **ResStreetRecnst (Fund 1042)**
Mission Elem: Street Pavement Maintenance (ME 051)
Project No.: Residential Street Rebuild Program (Project# 18164A)
Account: Construction (Account #550910)
Activity: 18164-A-1042-EXP
Amount: \$4,606,521.30

Fund: **Storm Water 2021 CI (Fund 4533)**
Mission Elem: Storm Water Drainage (ME 043)
Project No.: Residential Street Rebuild Program (Project# 18164A)

Account: Construction (Account #550910)
Activity: 18164-A-4533-EXP
Amount: \$1,364,235.40

Fund: Water (**Fund 4099**)
Mission Elem: Water Distribution System (ME 041)
Project No.: Residential Street Rebuild Program (Project# 18164A)
Account: Construction (Account #550910)
Activity: 18164-A-4099-EXP
Amount: \$111,337.40

Fund: Wastewater **2021 CIP (Fund 4258)**
Mission Elem: Wastewater Collection System (ME 042)
Project No.: Residential Street Rebuild Program (Project# 18164A)
Account: Construction (Account #550910)
Activity: 18164-A-4258-EXP
Amount: \$30,787.40

Fund: Gas Cap Resv (**Fund 4560**)
Mission Elem: Gas System (ME 022)
Project No.: Residential Street Rebuild Program (Project# 18164A)
Account: Construction (Account #550910)
Activity: 18164-A-4560-EXP
Amount: \$31,283.40

RECOMMENDATION:

City staff recommends awarding to JE Construction Services for Re-bid Base Bid A in the amount of \$6,144,164.90 for RSRP.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabs
Funding Information
Maps
Project List