



AGENDA MEMORANDUM

First Reading for the City Council Meeting of March 29, 2016
Second Reading for the City Council Meeting of April 12, 2016

DATE: April 8, 2016

TO: Ronald L. Olson, City Manager

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<p><u>Execute Advance Funding Agreement and Construction Contract</u> Packery Pointe Intersection Improvements Park Road 22 at Aquarius Re-Bid #2</p>
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CAPTION:

Ordinance authorizing the City Manager, or designee, to execute an Advance Funding Agreement (AFA) with the Texas Department of Transportation (TXDOT) with a required payment to TXDOT in the amount of \$8,700; and to execute a construction contract with D & G Energy Corporation of McAllen, Texas in the amount of \$773,738.75 for the Packery Pointe Intersection Improvements Park Road 22 at Aquarius Re-Bid #2 for Total Bid Part A and Part B for installation of a new signal and roadway improvements. (Bond 2014)

PURPOSE

The purpose of this Agenda Item is to execute an AFA with TXDOT for installation of roadway operation improvements on TXDOT right of way and to execute a construction contract with D & G Energy Corporation to construct the proposed improvements.

BACKGROUND AND FINDINGS:

This new Traffic Signal was planned under the Bond 2014 Proposition 2 – TXDOT Participation. The project is partially funded by the Developer of the new Packery Pointe Subdivision and the Bond project.

Bond 2014 Brochure Language: “This project provides funding for the City’s local share of costs on constructing projects leveraged with Texas Department of Transportation.”

This project is proposed to provide a new 4-way signalized intersection to address public safety for the existing 3-way Park Road 22 / Aquarius intersection, and the new Packery Pointe Subdivision Development on the north side of Park Road 22.

The current Park Road 22 and Aquarius intersection is a 3-way intersection. Aquarius currently extends only to the south. Traffic from Aquarius entering Park Road 22 is restricted to right turns to the east only. Drivers wanting to turn left from the south side are making dangerous and illegal unprotected two-lane crossings to access U-turns. The new Packery Pointe Development on the north side extending Aquarius to the north for the new Packery Pointe Drive will create a 4-way intersection.

This project will reconstruct the intersection altering the median to allow protected left turns from both the north and south across Park Road 22. The existing Park Road 22 left turn bay will be extended allowing additional stacking off the through lane. The intersection will also revise the access road to Day and Night Boardwalk Shopping Center restricting access to Park Road 22; only exiting from Park Road 22 will be allowed. The new signalized intersection will allow signalized left turns from both directions of Aquarius onto and from Park Road 22.

The project is within TXDOT right of way and TXDOT requires an Advanced Funding Agreement to authorize the construction and TxDOT administration. City Council approval of the AFA will enable the City to reimburse TXDOT in the amount of \$8,700 for these services.

City Council approved the Developer Agreement to share the cost of this project with the area developer, TBD-Q Packery Pointe, LP (Developer), on August 25, 2015. The City has received the agreed \$420,000. The Developer shared cost based on the improvements on the north side (Packery Pointe) and shared cost for the median of Park Road 22 to include extension of the left turn bay into Packery Pointe. Per the agreement, the Developer was responsible for all design costs associated with the project. The City is responsible for bidding and construction implementation including any additional construction cost.

This project has required City advertising three separate times to receive adequate competition and fair pricing. The following is the bid summary:

- 1) First bid date was October 21, 2015 – no bids were received. Project advertised in Caller Times, posted on state wide web listing with Civcast and specific notifications to local contractors.
- 2) Second time was a rebid on November 18, 2015. Only one bid was received and rejected as the proposed cost substantially exceeded the estimates and available funds. Staff implemented significant outreach to encourage more competition prior to the bids and also followed up after the single bid. Based on the discussions with the construction contractors and vendors (signal), it was determined that the combination of the traffic signal and the roadway improvements to TxDOT standards was driving costs and limiting competition. Therefore, the project was re-developed in two separate packages for Traffic Signal and Roadway improvements under a Part A and Part B respectively. Contractors could submit for one or both parts.
- 3) The third bid date was March 2, 2016. Four (4) bids proposals were received and are as follows:

Contractor	Total Bid, Part A (Signals)	Total Bid, Part B (Roadwork)
Ortiz Construction Paving Inc. Corpus Christi, Texas	565,131.00	330,763.00
D & G Energy Corporation McAllen, Texas	488,677.25	285,061.50
• EZ Bell Construction Corpus Christi, Texas	642,490.80	387,863.50
• Austin Traffic Corpus Christi, Texas	1,032,933.85	277,732.20
• Two of the bid proposals were missing the signature page of the Bid Acknowledgment Form.		

The Bid Acknowledge Form must be signed for the City to enforce the contractor's bid and bid bond. Without the signed form from an authorized company representative the bid bond is not enforceable and of no value. Therefore, the City's Legal Department has determined the bids submitted by EZ Bell Construction and Austin Traffic are deemed non-responsive and are rejected.

Therefore, the lowest responsive bid for both parts was submitted by D & G Energy Corporation of McAllen, Texas.

ALTERNATIVES:

1. Execute the Construction Contract for the Total Bid, Part A (Signals) and Total Bid, Part B (Roadwork) with D & G Energy Corporation as proposed. (Recommended).
2. Do not execute the Construction Contract for the Total Bid, Part A (Signals) and Total Bid, Part B (Roadwork) with D & G Energy Corporation as proposed. (Not Recommended).

OTHER CONSIDERATIONS:

In an effort to reduce costs, the signal equipment was ordered and paid for by the City and will be installed by the contractor.

CONFORMITY TO CITY POLICY:

Conforms to statutes regarding Request for Bids process; FY 2015-2016 Capital Budget.

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

Street Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$920,195		\$920,195
Encumbered/Expended Amount		47,688		47,688
This item (Construction)		773,739		773,739
This item (AFA/TxDOT)		8,700		8,700
Future Anticipated Expenditures This Project		90,068		90,068
BALANCE		0.00		0.00

Fund(s): Park CIP Funds

Comments: The Construction Contract will result in the expenditure of an amount not to exceed \$773,739 and the project is estimated to be complete in nine months from the issuance of the Notice to Proceed.

RECOMMENDATION:

City Staff recommends the approval of the Construction Contract for Total Bid, Part A (Signals) and Total Bid, Part B with D & G Energy Corporation of McAllen Corporation.

LIST OF SUPPORTING DOCUMENTS:

Project Budget
Advance Funding Agreement
Location Map
Presentation
Form 1295