



AGENDA MEMORANDUM

Action Item for the City Council Meeting of August 23, 2016

DATE: August 19, 2016

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Execute Construction Contract

Collier Pool Renovations (Bond 2012) Rebid – Part B (Restroom and Office Building)

CAPTION:

Resolution rescinding the award to Cruz Maintenance & Construction, Inc. (CMCI) in the amount of \$598,874.00, authorizing the City Manager, or designee, to execute a construction contract with the second lowest responsible bidder, Barcom Construction, Inc. of Corpus Christi, Texas, in the amount of \$632,673.00 and execute a claim against CMCI's bid bond in the amount of \$33,799.00 for the Collier Pool Renovations Rebid – Part B (Restroom and Office Building) project due to failure of CMCI to comply with the terms and conditions of the Bid. (Bond 2012 Proposition 4 – Aquatic Facilities)

PURPOSE:

The purpose of this Agenda Item is to rescind the award to Cruz Maintenance & Construction, Inc. (CMCI) due to CMCI's inability to secure Performance and Payment Bonds and execute a Construction Contract with the lowest responsible bidder, Barcom Construction, Inc. of Corpus Christi, Texas, for the Collier Pool Renovations Rebid – Part B (Restroom and Office Building) project.

BACKGROUND AND FINDINGS:

This project is part of Bond 2012 Proposition 4 – Aquatic Facilities for Repairs, Upgrades, and

Improvements.

The project was awarded to CMCI on June 14, 2016. Contractors are required to submit Bid Bonds with the bids for projects over \$50,000. After award, the contractors must then secure Performance and Payment Bonds. Local Government Code requires that the City obtain Bid Bonds, Payment & Performance Bonds. The following is a brief summary for Construction Bonding requirements.

- Bid Bonds are specifically required to protect the owner (City). Requesting a bid bond will keep contractors from submitting frivolous bids, because they would be obligated to perform the job, or at least pay the bond premiums. Bond-issuing companies perform comprehensive credit and financial reviews before agreeing to provide bonds for a company. The Bid Bond is issued by the surety that is then responsible to pay the owner the difference between the lowest and next lowest bid if the contractor fails to enter into a contract with the owner for the project.
- Performance Bonds are required for projects over \$100,000 and is a guarantee to the owner for the satisfactory completion of a project. This is payable only to the owner.
- Payment Bonds are required for projects over \$50,000. The payment bond forms a three-way contract between the Owner, the contractor and the surety, to make sure that all sub-contractors, laborers, and material suppliers will be paid, leaving the project lien free. The payment bond is payable to sub-contractors, laborers, and material suppliers.

With the award of the project to Barcom Construction, Inc., City staff will execute a claim against the Bid Bond for this project in the amount of \$33,799, which is the difference of CMCI's bid and the next lowest bid from Barcom Construction, Inc.

Bond 2012 Brochure Language: "Collier Pool is one of the most utilized public facilities in the park system. Dedicated lap swimmers, open swim participants, learn to swim participants and neighborhood groups patronize the pool on a regular basis, maximizing the pool's capacity as well as the city resources used to keep it operational on a year-round basis. West Guth is the second most popular park in Corpus Christi. That pool is one of the most popular places for residents in the Northwest to congregate on a hot summer day. Updates to these facilities, and other neighborhood pools, may include construction of splash pads, wading and zero depth entry pools, extension of lap lanes and swimmer amenities."

This project is for the award of Part B for the construction of a new masonry building for restrooms, showers, offices and shade. The project also includes an ADA ramp from the existing parking lot to the pool entrance.

The original project was developed with two parts bid as a single project as follows:

- Part A for the Pool and Pump House
- Part B for the outlying buildings including shade structure, restrooms and office facility as well as a new ADA Ramp from the existing parking lot to the pool entrance.

The bids for the original project were rejected as the bid prices for the single bid package with both Parts A & B exceeded the available funds. Based on the feedback from the contractors, the package was redeveloped into two separate bid packages. The revised bid packages resulted in a \$380,000 cost reduction for the project. Part A for the Pool and Pump House was awarded by City Council on April 12, 2016.

On April 6, 2016 the City received proposals from four (4) bidders for the Part B rebid. One bid was deemed non-responsive due to an invalid bid-bond submittal. The three (3) responsive and responsible bids were as follows:

Contractor	Total Bid, Part B
Barcom Construction, Inc. Corpus Christi, Texas	\$632,673.00
Cruz Maintenance & Construction, Inc. Corpus Christi, Texas	\$598,874.00
SpawGlass Contractors, Inc. Harlingen, Texas	\$816,182.00

Cruz Maintenance & Construction, Inc. was the apparent low Bidder and awarded the project. Barcom Construction, Inc. of Corpus Christi, Texas is the next lowest bidder and therefore recommended to receive the award for Part B.

ALTERNATIVES:

1. Execute the Construction Contract for the Base Bid, Part B (Restroom and Office Building) with Barcom and rescind the award to CMCI as proposed. (Recommended).
2. Do not rescind the award to CMCI and then execute the Construction Contract for the Base Bid, Part B (Restroom and Office Building) with Barcom as proposed. (Not Recommended).

OTHER CONSIDERATIONS:

West Guth Pool upgrades are also programmed within the remaining budget and developed as a separate design/bid/build project.

CONFORMITY TO CITY POLICY:

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

EMERGENCY / NON-EMERGENCY:

Not applicable

DEPARTMENTAL CLEARANCES:

Parks and Recreation

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2015-2016	Project to Date Budget and Expenditures	Current Year	Future Years	TOTALS
Line Item Budget	\$377,298	\$632,673	\$2,543,828	\$3,553,799
Encumbered/Expended Amount	377,298			377,298.00
This item		632,673		\$632,673.00
Future Anticipated Expenditures This Project			2,151,839	2,151,839
Future Anticipated Revenues				
BALANCE	\$0.00	\$0.00	\$391,989	\$391,989

Fund(s): Park CIP Funds

Comments: The Construction Contract will result in the expenditure of an amount not to exceed \$632,673 and the project is estimated to be complete in 9 months from the issuance of the Notice to Proceed.

RECOMMENDATION:

City Staff recommends the approval of the Construction Contract for the Base Bid, Part B (Restroom and Office Building) with Barcom Construction, Inc. of Corpus Christi, Texas.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Project Budget
Location Map
Presentation
Form 1295
Certified Letter 8-2-16 Deadline to Submit Bonds
Response from Cruz
Certified Letter 8-15-16 Rescind Decision