



AGENDA MEMORANDUM

Action Item for the City Council Meeting of December 1, 2020

DATE: November 16, 2020

TO: Peter Zaroni, City Manager

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Construction Contract Award

Residential Street Rebuild Program Re-Bid Base Bid C

CAPTION:

Motion awarding a construction contract to A. Ortiz Construction & Paving for the Residential Street Rebuild Program: Re-Bid Base Bid C in an amount of \$5,513,302.03, located Citywide, with FY 2021 funding available from the Residential Street Reconstruction, Storm Water, Wastewater, Water and Gas Funds.

SUMMARY:

This motion approves a construction contract with A. Ortiz Construction & Paving for Re-Bid Base Bid C for the Residential Street Rebuild Program (RSRP). The RSRP bid includes five streets projects with work being conducted on one street located in each Council district.

BACKGROUND AND FINDINGS:

On November 8, 2016, voters approved the Bond 2016 Proposition 1 for Residential Street Rebuild Program. On March 21, 2017, City Council passed a resolution approving

the concepts, direction, and selection criteria for the Residential Street Rebuild Program. Currently, the RSRP project will repair selected citywide residential streets 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. This contract will include five streets, with one street located in each Council district (Attachment).

Bond 2018 RSRP has approved funding for residential streets in the amount of \$10.55M. In addition, the Street Department has committed \$11M of their 2019-2020 operational budget, and another \$11M from their 2020-2021 budget to the RSRP.

The RSRP Construction contracts were developed as Indefinite Delivery Indefinite Quantity contracts with defined construction durations but somewhat indefinite quantities. While unit prices are fixed, actual quantities of work are approximate at the time of bid. Actual quantities are determined with the issuance of Delivery Orders (DOs). 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.

On May 19, 2020, City Council awarded 3 construction contracts on 5 parts that were bid. Two parts were re-advertised for bid. This item awards one of those parts. Staff is going to re-assess whether an additional contract is required to complete the require scope of work contemplated under the RSRP work plan.

PROJECT TIMELINE:

2019			2020										2021	
O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Design			Bid/Re-Bid										Construction	

The project schedule reflects City Council award in November 2020 with anticipated completion in December 2021.

COMPETITIVE SOLICITATION PROCESS

On August 19, 2020, the City received bids from six bidders. JE Construction Services submitted the lowest bid for Base Bids A and C. Council awarded the Airline Road Bond 2018 project to JE Services on March 31, 2020. Out of concern that construction impacts combined with disruptions from COVID-19 would be overly detrimental to retailers in the corridor, the Notice to Proceed on Airline was delayed until January 2021. JE was subsequently awarded an RSRP contract in May and the Sunnybrook CDBG Sidewalk project in July. With the two new RSRP awards, that would be five projects simultaneously underway.

Staff expressed concerns to JE about their ability to execute all of their current projects plus the two new RSRP contracts simultaneously. Staff was considering declaring JE's latest RSRP bids non-responsive for failure to demonstrate adequate capacity to execute the work. On October 21, 2020 JE Construction Services requested to withdraw their bids on RSRP Re-Bid Base Bid A and C. Since staff was considering declaring JE non-responsive, JE was allowed to withdraw their bids without forfeiting their bid security.

JE's withdrawal makes A. Ortiz Construction & Paving the lowest responsive and responsible bidder for RSRP Re-Bid Base Bids A and C. Due to the cost differential on Base Bid A between Ortiz' bid and the Engineer's Opinion of Probable Cost, staff is not recommending awarding that bid at this time. Since Ortiz' pricing on RSRP Re-Bid Base Bids C was within 2% of the engineer's estimate, staff is recommending that award. Staff may re-advertise Base Bid A at a later date if additional contracting capacity is required.

A summary of the bids is provided below. A. Ortiz Construction & Paving has completed construction projects for the City such as Minor Street Improvement and prior Residential Street Rebuild Program.

BID SUMMARY – BASE BID A (Reconstruction) – Bids Rejected	
CONTRACTOR	BASE BID
JE Construction Services	\$5,153,362.45 - Bid Withdrawn
A. Ortiz Construction & Paving	\$7,316,623.43
Tierra Lease Services	\$7,493,696.00
Mako Contracting	No Bid
<i>Engineer's Opinion of Probable Cost</i>	<i>\$6,554,062.10</i>

BID SUMMARY – BASE BID C (Reconstruction)	
CONTRACTOR	BASE BID
JE Construction Services	\$4,545,534.50 – Bid Withdrawn
A. Ortiz Construction & Paving	\$5,513,302.03
Tierra Lease Service	\$6,133,588.75
Mako Contracting	Incomplete Bid
<i>Engineer's Opinion of Probable Cost</i>	<i>\$5,423,407.98</i>

ALTERNATIVES:

The alternative is not to award construction contracts to A. Ortiz Construction & Paving for Base Bid C. This would delay the project and conflict with City Council's goal to expedite street projects.

FISCAL IMPACT:

The fiscal impact in FY 2021 is an amount of \$5,513,302.03 with funding available from the Residential Street Reconstruction, Storm Water, Wastewater, Water and Gas Funds.

Funding Detail:

Fund: **Residential Street Reconstruction (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: \$4,308,038.51

Fund: **Storm Water (Fund 4532)**
Mission Elem: Storm Water Drainage (ME 043)
Project No.: Residential Street Rebuild Program (Project# 18164A)
Account: Construction (Account #550910)
Activity: 18164-A-4532-EXP
Amount: \$1,064,567.18

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: \$74,974.44

Fund: **Wastewater (Fund 4510)**
Mission Elem: Wastewater Collection System (ME 042)
Project No.: Residential Street Rebuild Program (Project# 18164A)
Account: Construction (Account #550910)
Activity: 18164-A-4510-EXP
Amount: \$31,084.44

Fund: **Gas (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: \$34,637.44

RECOMMENDATION:

City staff recommends awarding to A. Ortiz Construction & Paving for Re-bid Base Bid C in the amount of \$5,513,302.03 for RSRP.

LIST OF SUPPORTING DOCUMENTS:

Maps
Bid Tabs
Project List