



# City of Ann Arbor

301 E. Huron St.  
Ann Arbor, MI 48104  
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## Legislation Text

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Resolution to Approve a Construction Contract with Fonson Company, Inc. (\$892,109.00), Approve a CDBG Subrecipient Agreement with the Washtenaw County Office of Community and Economic Development (\$676,000.00) and Appropriate \$1,227,889.00 in Contributing Funds for the Russell Street Improvements Project **(8 Votes Required)**

Attached for your review and approval, please find a resolution to approve a construction contract between the City of Ann Arbor and Fonson Company, Inc. in the amount of \$892,109.00 (RFP 22-50) and to authorize an agreement with the Washtenaw County Office of Community and Economic Development (OCED) for the Russell Street Improvements Project.

Russell Street is a 475-foot long gravel road extending from South Maple Road west and dead ending at South Maple Park. In the Fall of 2019, the Ann Arbor Housing Commission reached out to Engineering staff regarding concerns of storm runoff from Russell Street onto their Maple Meadows property at 800 South Maple. After investigating the issue, it was determined that the only way to adequately control the stormwater runoff in the long term would be to pave the street and provide curb and gutter.

The City of Ann Arbor, as a member of the Washtenaw Urban County, receives an annual Community Development Block Grant (CDBG) allocation determined by a formula that is applied to the Urban County's overall grant from the U.S. Department of Housing and Urban Development (HUD). Each year, an Annual Action Plan is prepared by OCED to outline the activities to be carried out using the HUD grant funds. The 2020, 2021, and 2022 Annual Action Plans each included a portion of Ann Arbor's annual CDBG allocation to fund eligible construction costs for the Russell Street paving project; the Urban County Executive Committee approved the 2020, 2021, and 2022 Annual Action Plans, respectively, on May 6, 2020, May 5, 2021, and June 1, 2022. The County Board of Commissioners subsequently approved these Annual Action Plans on June 3, 2020, June 2, 2021, and June 1, 2022, respectively. The 2020 - 2022 CDBG allocations are being supplemented by City of Ann Arbor CDBG Program Income funds; this fund is administered by OCED separate from the Urban County allocation process.

After discussing implementation strategies with OCED, it was determined that the City Engineering Unit would undertake the design of the project and ultimately manage the construction, thus making the City a subrecipient of the HUD grant. The current agreement with OCED being proposed for approval is for the construction and associated costs of the project.

Russell Street improvements include the following elements and (funding sources):

- New asphalt road with concrete curb and gutter; associated driveway improvements; new public sidewalk and pedestrian access to Maple Meadows (AAHC) and South Maple Park; new and relocated street lighting; new street trees (funded by CDBG)
- Installation of one water service (funded by Water Supply System Fund)
- Installation of stormwater storage facilities (funded by Stormwater Fund)

The construction of the project is scheduled to begin in August of 2022 and be substantially complete by November 2022. Restoration of lawn areas will be accepted at final completion in the Spring of 2023.

Engineering and the Ann Arbor Housing Commission supervised the creation of plans and contract documents and bid the project through the City's Procurement Unit. On June 9, 2022, two proposals were received for this work. A selection committee comprised of Public Services staff reviewed the proposals and determined the proposal from Fonson Company, Inc. provided the best value based on the criteria provided in ORD-21-41, adopted by Council on January 3, 2022:

- Qualifications, Experience, & Accountability (20%)
- Workplace Safety (20%)
- Workforce Development (20%)
- Social Equity & Sustainability (20%)
- Schedule of Pricing/Cost (20%)

Therefore, staff recommends awarding the contract for this project to Fonson Company, Inc. A detailed summary of the scoring for both bidders is attached.

Fonson Company, Inc. complies with the City's Non-Discrimination and Living Wage ordinances.

Budget/Fiscal Impact: This project is included in the FY23-28 Capital Improvements Plan (TR-NS-22-01). The estimated total cost of the project is \$1,227,889.00. Appropriations are necessary to allocate the major funding sources to the existing project budget, including the subrecipient agreement with Washtenaw County OCED.

Fund	Total Project Cost
Water Supply System Fund	\$ 5,894.00
Stormwater Fund	\$ 423,357.00
U.S. Department of Housing & Urban Development (HUD)	\$ 676,000.00
<u>Washtenaw County OCED</u>	<u>\$ 122,638.00</u>
Total	\$1,227,889.00

Prepared by: Nicholas S. Hutchinson, P.E., City Engineer

Reviewed by: Brian Steglitz, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr, City Administrator

Whereas, The City and Washtenaw County have entered into an agreement for the design of improvements on Russell Street;

Whereas, Based upon evaluation of the infrastructure and outreach to the Russell Street residents and Maple Meadows residents (Ann Arbor Housing Commission), the improvements include a new asphalt road with concrete curb and gutter, new sidewalk, stormwater storage and conveyance, one water service, and new and relocated lighting;

Whereas, Funding for the City's share of the project is available in the Water Supply System and Stormwater Fund unobligated fund balances;

Whereas, Washtenaw County Office of Community and Economic Development will contribute funds for the project improvements through a CDBG Subrecipient Agreement;

Whereas, The City of Ann Arbor received two proposals for this work on June 9, 2022, and after review, staff recommends award of the construction contract to Fonson Company, Inc.; and

Whereas, It is now necessary to enter into a contract with Fonson Company, Inc. for the performance of this work;

**RESOLVED**, That \$5,894.00 be appropriated from the Water Supply System Fund unobligated fund balance for the Russell Street Improvements Project; thereby increasing the appropriate revenue and expenditure budgets;

**RESOLVED**, That \$423,357.00 be appropriated from the Stormwater Sewer Fund unobligated fund balance for the Russell Street Improvements Project; thereby increasing the appropriate revenue and expenditure budgets;

**RESOLVED**, That the CDBG Subrecipient Agreement with Washtenaw County Office of Community and Economic Development be approved and appropriated for an estimated cost-share of \$676,000.00 to the Russell Street Improvements Project; thereby, increasing the project revenue and expenditure budgets;

**RESOLVED**, That \$122,638.00 of Washtenaw County OCED Grant Funding be appropriated; thereby, increasing the project revenue and expenditure budgets; and

**RESOLVED**, That City Council approves a construction contract with Fonson Company, Inc. in the amount of \$892,109.00 for the Russell Street Improvements Project (RFP 22-50);

**RESOLVED**, That a contingency amount of \$90,000.00 be established within the project budget and that the City Administrator be authorized to approve construction change orders not to exceed that amount, in order to satisfactorily complete this project;

**RESOLVED**, That the Mayor and City Clerk be authorized and directed to execute said agreements after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

**RESOLVED**, That the City Administrator be authorized to take necessary administrative actions to implement this resolution, including issuing temporary and permanent Traffic Control Orders, night work authorizations as required for the construction of the project, and execution of any amendments to the Subrecipient Agreement.