



## Legislation Text

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**File #:** 23-0326, **Version:** 1

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Resolution to Approve a Construction Contract with Fonson Company, Inc. for the 2023 Miscellaneous Utility Projects (\$4,203,293.63)

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 \$ \$4,203,293.63 for the 2023 Miscellaneous Utility Projects (RFP 23-05).

The scope of this project includes the following:

- Water main replacement, miscellaneous storm inlet replacement, and road resurfacing on:
  - Glendaloch Road - Londonderry to Heather Way
  - Provincial Drive - Arlington to Hunting Valley
  - Easy Street - Towner to dead end
  - Carmel Street - Easy to Towner
- Sanitary sewer lead relocation and sewer abandonment at 401 N. 7<sup>th</sup> Street.
- Replacement of a failing sanitary sewer in Arlington Boulevard at the Provincial intersection. As this need was not identified until the project was out to bid, staff will develop a design for the work and add it to the contract via a future change order. To this end, staff is requesting a higher than typical contingency amount to account for this extra work.

The construction of the project is scheduled to occur between April and November of 2023.

Engineering staff supervised the creation of plans and contract documents and issued a request for proposals for the project through the City's Procurement Unit. On February 16, 2023, two proposals were received for this work. A selection committee comprised of Public Services staff reviewed the proposals and determined which bidder was the best value based on the criteria in ORD-21-41:

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

After reviewing and scoring the proposals, staff ranked the responding firms in the following order:

1. Fonson Company, Inc.
2. Bailey Excavating, Inc.

Fonson Company's proposal included an alternative with pricing for substitute water main pipe which is superior to the original water main pipe specified and is available sooner. This alternative water main pipe is acceptable to the City and will allow the project to proceed on schedule. Fonson Company, Inc's proposal, with the alternative water main pipe, received the higher score among the

proposals reviewed by the selection committee Therefore, staff recommends that City Council approve a contract with Fonson Company, Inc.

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 (UT-WS-12-03, UT-WS-16-16, and UT-WS-22-23). The estimated total cost of the project is \$6,215,600. Funding for the project is included in the approved capital budgets of the Water Supply System; Street, Bridge and Sidewalk Millage Fund; Stormwater Fund; and Sewage Disposal Fund.

<u>Fund</u>	<u>Project Cost</u>
Water Supply System Fund	\$3,621,685
Street, Bridge and Sidewalk Millage Fund	\$1,823,215
Stormwater Fund	\$ 237,700
<u>Sewage Disposal Fund</u>	<u>\$ 533,000</u>
Total	\$6,215,600

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Reviewed by: Brian Steglitz, Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The existing watermains and some sanitary sewer and stormwater facilities in the project area have been identified as needing upgrade or replacement;

Whereas, The utility improvement work facilitates needed street repaving in the immediate project areas;

Whereas, Funding for the project is included in the approved capital budgets of the Water Supply System; Street, Bridge and Sidewalk Millage Fund; Stormwater Fund, and Sewage Disposal Fund.

Whereas, The City of Ann Arbor received two proposals for this work on February 16, 2023 and Fonson Company, Inc. received the higher score among the proposals reviewed by the selection committee; and

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

RESOLVED, That City Council approves a construction contract with Fonson Company, Inc. in the amount of \$4,203,293.63 for the 2023 Miscellaneous Utility Projects (RFP 23-05)

RESOLVED, That a contingency amount of \$770,329.36 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 agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City make the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of

1986, as amended: that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds; 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 and night work authorizations as required for the construction of the project.