



Legislation Text

File #: 16-0571, **Version:** 1

Resolution to Award a Construction Contract to Fonson Company, Inc. for the Springwater Subdivision Improvements Project - Phase II (\$2,251,763.99; Bid No. ITB-4426)
Attached for your review and approval please find a resolution that awards a construction contract to Fonson Company, Inc. in the amount of \$2,251,763.99 for the Springwater Subdivision Improvements Project - Phase II.

BUDGET/FISCAL IMPACT

The FY 2016-2021 Capital Improvements Plan (CIP) includes the Springwater Subdivision Improvements Project - Phase II & III, and funds are available in the approved FY 16 and proposed FY 17 capital budgets as follows: Street Millage (\$1,605,000.00), Stormwater (\$1,590,000.00), and Drinking Water (\$713,000.00); for a total project cost of \$3,908,000.00. Phases II & III of this project are being performed together under one contract in order to limit disruption of the neighborhood to one construction season.

In addition to the above funding, the stormwater portion of this project is being financed with State Revolving Funds (SRF) and has been approved for a low interest (2.5%) loan, which will be secured by the Washtenaw County Water Resources Commissioner. The reason for financing a portion of the storm water improvements with SRF is the potential eligibility for 50% loan forgiveness. This loan will reimburse a portion of the Storm Water System Funds being allocated to the project. The Water Resources Commissioner will be assessing the City over a maximum of 20 years for this project for repayment of the loan. The first payment is included in the FY 17 proposed Storm Water Fund Capital Budget and subsequent payments will be included in the annual storm water budget submittals. Resolution R-12-456 authorized the annual payment to the County for this project from the Storm Water System Fund pending annual budget approvals by Council.

This project consists of the reconstruction of Redwood Avenue from Cardinal Avenue to Springbrook Avenue; Nordman Avenue from Redwood Avenue to Sharon Drive; and Springbrook Avenue from Packard Road to Sharon Drive (see attached map). In addition to the street reconstruction the project also includes replacing the existing water main and, in conformance with the City's Green Streets Policy, performing stormwater system improvements which include the construction of sand filters within the public rights-of-way.

The project is expected to begin in June 2016 and be completed in the fall of 2016.

Plans and specifications were advertised through BidNet. Five bids were received and opened on April 14, 2016. The lowest responsible bid, in the amount of \$2,251,763.99 was \$404,892.01 below the engineer's estimate. Attached is a summary of the bids received for the project.

Fonson Company, Inc. complies with the requirements of the non-discrimination and living wage ordinances.

Prepared by: Nick Hutchinson, P.E., City Engineer

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, The City of Ann Arbor FY 2016-2021 Capital Improvements Plan (CIP) includes the Springwater Subdivision Improvements Project - Phase II;

Whereas, It is necessary to replace existing water main and perform stormwater improvements in conjunction with the full depth road reconstruction;

Whereas, Funds are available in the approved FY 16 and proposed FY 17 capital budgets as follows: Street Millage (\$1,605,000.00), Stormwater (\$1,590,000.00), and Water (\$713,000.00);

Whereas, Competitive bids were received by the Office of Procurement on April 14, 2016 and Fonson Company, Inc. was the lowest responsible bidder with a submitted bid of \$2,251,763.99;

Whereas, The storm water quality management portion of this project is being financed with State Revolving Funds (SRF) and has been approved for a low interest (2.5%) loan, which will be secured by the Washtenaw County Water Resources Commissioner;

Whereas, The SRF loan will reimburse a portion of the expenditures from the StormWater System Fund being allocated to the project, and the Water Resources Commissioner will be assessing the City over a maximum of 20 years for this project for repayment of the loan;

Whereas, The first loan payment is included in the proposed FY 17 Storm Water Fund Capital Budget and subsequent payments will be included in the annual storm water budget submittals pursuant to Resolution R-12-456 which authorized the annual payment to the County for this project from the Storm Water System Fund pending annual budget approvals by Council;

Whereas, The contractual proposal sets forth the services to be performed by said company, and the payments to be made by the City therefore, all of which are agreeable to the City;

Whereas, It is now necessary to enter into a Contract with said company for this construction project;

Whereas, Fonson Company, Inc. complies with the requirements of the non-discrimination and living wage ordinances; and

RESOLVED, That a contract in the amount of \$2,251,763.99 be awarded Fonson Company for the construction of the Springwater Subdivision Improvements Project - Phase II, ITB #4426;

RESOLVED, That a contract contingency amount of \$230,000.00 be established and that the City Administrator be authorized to approve additional change orders to the construction contract with Fonson Company, Inc. not to exceed \$230,000.00 in order to satisfactorily complete this project;

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

RESOLVED, That the City makes the following declaration for the purposes 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.