



Legislation Text

File #: 18-0077, **Version:** 1

Resolution to Appropriate Contributed Funding (\$3,081,000.00) and Award a Construction Contract to Fonson Company, Inc. for the North Fifth Avenue Reconstruction Project (\$3,681,257.90, Bid No. ITB-4519) **(8 Votes Required)**

Attached for your review and approval is a resolution to award a contract to Fonson Company, Inc. in the amount of \$3,681,257.90 for the North Fifth Avenue Reconstruction project.

This project will reconstruct North Fifth Avenue between Catherine and East Kingsley Streets, and Detroit Street between North Fifth Avenue and East Kingsley Street. The project will include brick paver replacement; approximately 2,000 feet of 6-inch water main replacement with 12-inch water main; storm water infiltration and storm sewer replacement; sidewalk and ramp replacement; crosswalk improvements; streetlight replacement; and extensive streetscape improvements.

This project is a partnership with the Ann Arbor Downtown Development Authority (DDA). During the design phase, the DDA, working with the City, hired an engineering consulting firm to design the project and prepare plans and specifications. The City and DDA entered an agreement by which the City paid the DDA a share of the cost for the design phase of the project. Now that the project is moving into the construction phase, the City is taking the lead on the construction and contract management for the project, and a separate agreement with the DDA that outlines the cost sharing arrangement for this phase of the project will be executed. The cost sharing agreement is being brought to Council for approval in a separate Resolution.

In response to the Invitation To Bid (ITB-4519), two (2) bids were received on Thursday, January 11, 2018. The low bid from Fonson Company, Inc. of \$3,681,257.90 is approximately \$1,736,770 under the Engineer's Estimate. It appears that the consultant's estimate of the project cost was high due to some items of work being challenging to develop costs for, as well as the uncertain effects of factors such as project schedule requirements and limited work space.

The construction of the project is scheduled to begin in early April of 2018, and to be completed in November of 2018.

Fonson Company, Inc. is in compliance with the requirements of the City's Non-Discrimination and Living Wage ordinances.

Budget Impact

The current City of Ann Arbor Capital Improvements Plan (CIP) includes projects TR-SC-14-07, UT-ST-16-01, and UT-WS-16-06. A funding breakdown for the project consists of the following:

DDA	\$3,081,000.00
Street Millage	\$1,410,000.00
Water Fund	\$1,014,000.00
Stormwater Fund	\$ 791,000.00

Major Street Fund	\$ 39,550.00
Info. Technology	\$ 10,250.00
Est. Total Cost	\$6,345,800.00

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

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, The reconstruction of North Fifth Avenue between Catherine and Kingsley Streets, and Detroit Street between North Fifth Avenue and Kingsley Street will consist of include brick paver replacement; water main replacement; storm water infiltration and storm sewer replacement; sidewalk and ramp replacement; crosswalk improvements; streetlight replacement; and extensive streetscape improvements;

Whereas, This project is included in the City's Capital Improvement Plan (TR-SC-14-07, UT-ST-16-01 and UT-WS-16-06);

Whereas, Funding for this project is included in the appropriate approved capital and operating budgets, with the Downtown Development Authority paying for approximately 49% of the cost;

Whereas, Competitive bids were received by the Procurement Unit on January 11, 2018 and Fonson Company, Inc. of Brighton, MI, was the lowest responsible bidder at \$3,681,257.90;

Whereas, It is now necessary to enter into a contract with Fonson Company, Inc. for the construction of the North Fifth Avenue Reconstruction Project; and

Whereas, Fonson Company, Inc. is in compliance with the requirements of the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That a contract in the amount of \$3,681,257.90 be awarded to Fonson Company, Inc. for the construction of the North Fifth Avenue Reconstruction Project (Bid No. ITB-4519);

RESOLVED, That a contract contingency amount of \$668,000.00 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 \$668,000.00 in order to satisfactorily complete this project;

RESOLVED, That \$3,081,000.00, the amount contributed by the Downtown Development Authority, be appropriated to the existing North Fifth Avenue Reconstruction project budget; thereby, increasing the revenue and expenditure budgets of the project;

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;

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; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to

implement this resolution including approval of needed Traffic Control Orders, night work authorizations, and other similar administrative approvals to allow the work of the project to proceed without delay.