



Legislation Text

File #: 22-0628, **Version:** 1

Resolution to Award a Construction Contract to Fonson Company, Inc. (\$1,250,972.00, Bid No. ITB-4705) for the 2022 Valve Replacement Project

Attached for your review and approval is a resolution to award a contract to Fonson Company, Inc., in the amount of \$1,250,972.00, for the 2022 Valve Replacement Project.

Currently there are a number of water main valves throughout the City that do not function and would not facilitate the isolation of segments of the water main system in case of failure. In cases when a water main shut down is required, this may create additional inconvenience for the businesses and residents. Staff identified valves essential for the operation of the water system. This project includes replacement of 17 valves at multiple locations throughout the City. The replacement of existing valves in some areas is complicated by their location. The project is expected to begin in May/June of 2022.

The project was sent out for bid in December 2021 (ITB-4705) under the previous Responsible Contractor Policy (which predated Ordinance 21-41). In response to the Invitation to Bid, four (2) bids were received on February 2, 2022. The lowest responsible bidder was Fonson Company, Inc. with a bid of \$2,225,822.00.

The amount of work included in the bid package resulted in the total bid amounts exceeding the available budget. Thus, to bring the total project cost within the approved budget, the scope of the project was reduced to the most critical valves and bid unit prices applied to the revised scope of work resulting in a proposed contract amount of \$1,250,972.00 which is agreeable to the bidder.

Fonson Company, Inc. complies with the requirements of the non-discrimination and living wage ordinances and has submitted the appropriate responsible contractor documentation.

Budget/Fiscal Impact: The City of Ann Arbor Capital Improvements Plan (CIP) includes the 2022 Valve Replacement Project (UT-WS-18-23). Total estimated project cost is \$1,500,000.00. Funding for the project as modified is included in the approved Water Supply System Fund Capital Budget.

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

Reviewed by: Brian Steglitz, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, Many of the water main valves in the City's system are currently not functioning and would not be able to isolate many parts of the water main in the case of a break;

Whereas, The new valves must be installed for appropriate operation of the water system;

Whereas, Competitive bids were received by the Procurement Unit on February 2, 2022 and Fonson Company, Inc. was the lowest responsible bidder;

Whereas, It is now appropriate to enter into a contract with Fonson Company, Inc. for the 2022 Valve Replacement Project; and

Whereas, Fonson Company, Inc. complies with the City's Non-Discrimination, Conflict of Interest, and Living Wage ordinances, and submitted the appropriate Responsible Contract documentation;

RESOLVED, That City Council approve a construction contract with Fonson Company, Inc. in the amount of \$1,250,972.00 for the 2022 Valve Replacement Project (ITB 4705);

RESOLVED, That a contract contingency amount of \$100,000.00 be established within the project budget and that the City Administrator be authorized to approve additional change orders to the construction contract with Fonson Company, Inc. not to exceed \$100,000.00 in order to satisfactorily complete this 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 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.