



## Legislation Text

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Resolution to Approve a Construction Contract with Fonson Company, Inc. for the 2024 Miscellaneous Utilities Project (RFP 24-10; \$3,636,326.75) and to Appropriate \$565,000.00 from the Stormwater Fund and \$625,000.00 from the Street, Bridge and Sidewalk Millage Fund **(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. (Fonson) in the amount of \$3,636,326.75 for the 2024 Miscellaneous Utilities Project (RFP 24-10).

The annual Miscellaneous Utilities projects typically combines smaller utility projects from the City's Capital Improvements Plan (CIP) into one construction contract to reduce administrative costs and bid prices. This year's project includes the following:

- Water main replacement on:
  - Orkney Drive - Sunset to Culver
  - Culver Road - Orkney to Orkney
  - Fountain Street - Culver to 400 feet west.
- Transmission water main replacement and resurfacing on Huron View Blvd - North Main Street to the west end of the cul-de-sac.
- Replacement of Stormwater infrastructure on the east side of Boardwalk Drive to address serious erosion issues between the Ann Arbor Public Schools bus parking area and the railroad tracks.

The construction of the project is scheduled to begin in May 2024 and continue through October 2024.

Engineering staff supervised the creation of plans and contract documents and bid the project through the City's Procurement Unit. On March 5, 2024, three 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. E.T. MacKenzie Company, Inc.
3. Dunigan Brothers, Inc.

Fonson received the highest score among the proposals reviewed by the selection committee. Therefore, staff recommends awarding the contract for this project to Fonson. Fonson complies with the City's Non-Discrimination and Living Wage ordinances.

Budget/Fiscal Impact: This project is included in the Capital Improvements Plan (UT-WS-22-15, UT-WS-24-06, UT-ST-22-03, and TR-SC-25-05). The estimated total cost of the project is \$5,095,000.00. Funding for the project is partially included in the approved FY24 capital budgets of the Water Supply System Fund; Stormwater Fund; Street, Bridge and Sidewalk Millage Fund; and the Operations and Maintenance budget of Sewage Disposal Fund. Remaining funding will be available in the appropriate FY25 budgets if so, approved by Council.

Fund	Project Cost
Water Supply System Fund	\$ 3,895,000.00
Stormwater Fund	\$ 565,000.00
Street, Bridge and Sidewalk Millage Fund	\$ 625,000.00
<u>Sewage Disposal Fund</u>	<u>\$ 6,500.00</u>
Total	\$ 5,091,500.00

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

Reviewed by: Brian Steglitz, Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The existing water mains and stormwater infrastructure in the project areas have been identified as needing upgrade or replacement;

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

Whereas, The City of Ann Arbor received three proposals for this work on March 5, 2024 and Fonson Company, Inc. received the highest 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 \$3,636,326.75 for 2024 Miscellaneous Utilities Project (RFP 24-10);

RESOLVED, That the 2024 Miscellaneous Utilities Project expenditure and revenue budgets be increased by \$1,190,000.00 with the sources of funding being the appropriation from the approved Stormwater Fund Capital budget (\$565,000.00) and the Street, Bridge and Sidewalk Millage Fund Capital budget (\$625,000.00);

RESOLVED, That a contingency amount of \$365,000.00 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 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.