



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-6679

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**Agenda Item Number:** 18B.

**Agenda Date:** 12/14/2017

**In Control:** City Council A Session

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**DEPARTMENT HEAD:** Mike Frisbie, P.E.

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

2018 Street Maintenance Program Package 5-7

### **SUMMARY:**

Consideration of the following items related to the FY 2018 Infrastructure Management Program (IMP):

- A. An ordinance for the 2018 Concrete Pavement/Flatwork Task Order Contract Package 5, accepting the lowest responsive bid and awarding a contract to HESI Enterprises, LLC in an amount not to exceed \$4,640,990.00, of which \$129,100.00 will be reimbursed by San Antonio Water System (SAWS) and \$600.00 will be reimbursed by CPS Energy for necessary adjustments to existing infrastructure.
- B. An ordinance for the 2018 Reclamation Task Order Contract Package 6, accepting the lowest responsive bid and awarding a contract to AJ Commercial Services, Inc. in an amount not to exceed \$4,725,179.50, of which \$400.00 will be reimbursed by San Antonio Water System (SAWS) and \$40.00 will be reimbursed by CPS Energy for necessary adjustments to existing infrastructure.
- C. An ordinance for the 2018 Asphalt Overlay Contract Package 7, formerly known as 2018 Asphalt Overlay Contract Package 9, accepting the lowest responsive bid and awarding a contract to San Antonio Constructors, LTD. in an amount not to exceed \$2,399,815.00, and authorizing a Change Order in the amount of \$359,972.00 for a total contract value not to exceed \$2,759,787.00 of which \$101,750.00 will be reimbursed by San Antonio Water System (SAWS) and \$7,500.00 will be reimbursed by CPS Energy for necessary adjustments to existing infrastructure.

### **BACKGROUND INFORMATION:**

City Council approved \$99 million in the FY 2018 Budget to complete both in-house and contract street maintenance projects. This was an increase of funding in the amount of \$35 million above the \$64 million provided the previous two fiscal years for street maintenance. This will provide for approximately an additional 122 miles of street maintenance upon the completion of the FY 2018 Street Maintenance Program.

Transportation & Capital Improvements (TCI) will use \$87 million of the allocated budget to deliver the street projects using contract forces. TCI began construction of the FY 2018 Street Maintenance Program utilizing four (4) contracts that were awarded on October 19, 2017 and November 2, 2017. Additional contracts are scheduled to be awarded at a later date for the remaining street maintenance program. Table 1 summarizes the contracts awarded to date for this fiscal year.

**Table 1.**

<b>Awarded Contracts</b>	<b>Amount Awarded</b>
Total Contracts Awarded as of 11/2/2017	\$24,091,686.50
Proposed Contracts to be Awarded Today	\$12,125,956.50
Total Contracts Approved To Date	\$36,217,643.00
Approved Contract Forces Budget	\$87,000,000.00
Remaining Contract Forces Budget	\$50,782,357.00

This proposed ordinance authorizes additional contract capacity in the amount of \$12,125,956.50 for the construction of FY 2018 street maintenance projects. Additional contracts are scheduled to be awarded at a later date for the remaining Street Maintenance Program.

#### Procurement of Services

- A. Package 5 was advertised for construction bids in October 2017 in the San Antonio Hart Beat, on the City's website, on the Texas Electronic State Business Daily and on TVSA. Bids for Package 5 were due on October 31, 2017 with 10 bids received. HESI Enterprises, LLC was the lowest responsive bidder.
- B. Package 6 was advertised for construction bids in October 2017 in the San Antonio Hart Beat, on the City's website, on the Texas Electronic State Business Daily and on TVSA. Bids for Package 6 were due on November 7, 2017 with 5 bids received. AJ Commercial Service, Inc. was the lowest responsive bidder.
- C. Package 7 was advertised for construction bids in September 2017 in the San Antonio Hart Beat, on the City's website, on the Texas Electronic State Business Daily and on TVSA. Bids for Package 7 were due on October 24, 2017 with 8 bids received. San Antonio Constructor, LTD. was the lowest responsive bidder.

These contracts will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 17% Minority/Women Business Enterprise (M/WBE) subcontracting goal and 1% African American Business Enterprise (AABE) subcontracting goal for Package 5 and 6 and 4% M/WBE subcontracting goal and 1% AABE subcontracting goal for Package 7. HESI Enterprises, LLC, AJ Commercial Services, Inc., and San Antonio Constructors, LTD. have committed to meeting these goals.

## **ISSUE:**

- A. This ordinance for the 2018 Concrete Pavement/Flatwork Task Order Contract Package 5, accepts the lowest responsive bid and awards a contract to HESI Enterprises, LLC in an amount not to exceed \$4,640,990.00, of which \$129,100.00 will be reimbursed by San Antonio Water System (SAWS) and \$600.00 will be reimbursed by CPS Energy for necessary adjustments to existing infrastructure.
- B. This ordinance for the 2018 Reclamation Task Order Contract Package 6, accepts the lowest responsive bid and awards a contract to AJ Commercial Services, Inc. in an amount not to exceed \$4,725,179.50, of which \$400.00 will be reimbursed by San Antonio Water System (SAWS) and \$40.00 will be reimbursed by CPS Energy for necessary adjustments to existing infrastructure.
- C. This ordinance for the 2018 Asphalt Overlay Contract Package 7, accepts the lowest responsive bid and awards a contract to San Antonio Constructors, LTD. in an amount not to exceed \$2,399,815.00, and authorizes a Change Order in the amount of \$359,972.00 for a total contract value not to exceed \$2,759,787.00 of which \$101,750.00 will be reimbursed by San Antonio Water System (SAWS) and \$7,500.00 will be reimbursed by CPS Energy for necessary adjustments to existing infrastructure.

## **ALTERNATIVES:**

City Council could choose not to award this contract and request staff to re-bid this package; however, re-bidding would delay the delivery of the FY 2018 Street Maintenance Program and would result in a portion of the street maintenance projects not being completed as programmed.

## **FISCAL IMPACT:**

- A. This ordinance authorizes \$4,640,990.00, payable to HESI Enterprises, LLC of which \$129,100.00 will be reimbursed by San Antonio Water System (SAWS) and \$600.00 will be reimbursed by CPS Energy. The \$4,391,540.00 for the City's portion of the funding for these projects may include the General Fund, Certificates of Obligation, Advanced Transportation District (ATD) Fund, ROW Penalty Funds, or other funding sources.

Requirements for each task shall be detailed in the individual work orders assigned. The City makes no minimum guarantee pertaining to the volume of work. If funding for any work activities is not previously appropriated, funding will be identified and appropriated through subsequent City Council action.

- B. This ordinance authorizes \$4,725,179.50, payable to AJ Commercial Services, Inc. of which \$400.00 will be reimbursed by San Antonio Water System (SAWS) and \$40.00 will be reimbursed by CPS Energy. The \$4,724,739.50 in for the City's portion of funding for these projects may include the General Fund, Certificates of Obligation, Advanced Transportation District (ATD) Fund, ROW Penalty Funds, or other funding sources.

Requirements for each task shall be detailed in the individual work orders assigned. The City makes no minimum guarantee pertaining to the volume of work. If funding for any work activities is not previously appropriated, funding will be identified and appropriated through subsequent City Council action.

- C. This ordinance authorizes \$2,399,815.00, payable to San Antonio Constructors, LTD. of which \$101,750.00 will be reimbursed by San Antonio Water System (SAWS), \$7,500.00 will be reimbursed by CPS Energy, and authorizes a Change Order in the amount of \$359,972.00 for a total contract value not to exceed \$2,759,787.00. The \$2,650,537.00 for the City's portion of funding for these projects may include the General Fund, Certificates of Obligation, Advanced Transportation District (ATD) Fund, ROW Penalty Funds, or other funding sources.

Requirements for each task shall be detailed in the individual work orders assigned. The City makes no minimum guarantee pertaining to the volume of work. If funding for any work activities is not previously appropriated, funding will be identified and appropriated through subsequent City Council action.

#### **RECOMMENDATION:**

Staff recommends approval of three Contracts in the amount of \$12,125,956.50 to complete the initial portion of the street maintenance projects identified in the FY 2018 Infrastructure Management Program. Additional contracts are scheduled to be awarded at a later date for the remaining Street Maintenance Program.