



City of Grand Island

Tuesday, May 27, 2008

Council Session

Item G10

**#2008-143 - Approving Bid Award for the 2008 Asphalt
Resurfacing, Project No. 2008-AC-1**

Staff Contact: Steve Riehle, City Engineer/Public Works Director

Council Agenda Memo

From: Steven P. Riehle, Public Works Director

Meeting: May 27, 2008

Subject: Approving Bid Award for the 2008 Asphalt Resurfacing Project No. 2008-AC-1

Item #'s: G-10

Presenter(s): Steven P. Riehle, Public Works Director

Background

On May 1, 2008 the Engineering Division of the Public Works Department advertised for bids for the 2008 Asphalt Resurfacing Project Number 2008-AC-1.

Discussion

Two (2) bids were received and opened on May 13, 2008. The bids were submitted in compliance with the contract, plans, and specifications. A summary of the bids is shown below.

<i>Bidder</i>	<i>Exceptions</i>	<i>Bid Security</i>	<i>Total Bid</i>
Gary Smith Construction Co., Inc. of Grand Island, NE	Noted	Inland Insurance Company	\$797,882.76
J.I.L. Asphalt Paving Co. of Grand Island, NE	None	Inland Insurance Company	\$807,161.70

The nation is seeing increases in many products because of the increasing fuel costs. The asphalt industry is especially impacted by such increases. The estimate for the project at the time the plans and specifications were prepared was \$645,045.62. When bids were opened the low bidder was almost 25% above the estimate. The bids are believed to be competitive as there was only 1% difference between them.

The City only has \$750,000 in the budget for this years asphalt resurfacing project. The project to install handicap ramps at \$31,623.32 is mandated to be part of our asphalt

resurfacing program by the American's with Disabilities Act. That leaves \$718,376.68 for the Asphalt Resurfacing Project Number 2008-AC-1.

The low bidder also included an exception to the specifications and offered to substitute recycled asphalt millings for virgin aggregate and reduce the overall cost to the City by \$2.90 per ton of hot mix asphalt.

There are sufficient funds in Account No. 10033506-85354 to fund this project.

Following is a list of the streets included in the 2008-AC-1 project:

- Section #1.** 3rd Street form Wheeler Avenue to Vine Street.
- Section #2.** Wheeler Avenue from 1st Street to 3rd Street.
- Section #3.** Locust Street from 1st Street to South Front Street.
- Section #4.** Pine Street from 1st Street to 4th Street.
- Section #5.** South Front Street from Pine Street to Sycamore Avenue.
- Section #6.** Sycamore Avenue from 2nd Street to 3rd Street.
- Section #8.** Oak Street from 2nd Street to 3rd Street.
- Section #9.** Stuhr Road from the bridge south of Stolley Park Road to the BNSF railroad tracks south of Swift.
- Section #11.** Capital Avenue from Illinois Avenue to the east City Limits.
- Section #12.** 13th Street form the west City Limits to the concrete west of Diers Avenue.
- Section #13.** Located on Holcomb Street from Riverside Drive to Locust Street.
- Section #14.** Located on Old Potash Highway from Highway 281 to Webb Road.

The following sections were removed from this year's work to keep the project under budget.

- Sections #10.** Anna Street from Grant Street to Monroe Street.
- Section #7.** Kimball Avenue from 1st Street to 2nd Street.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

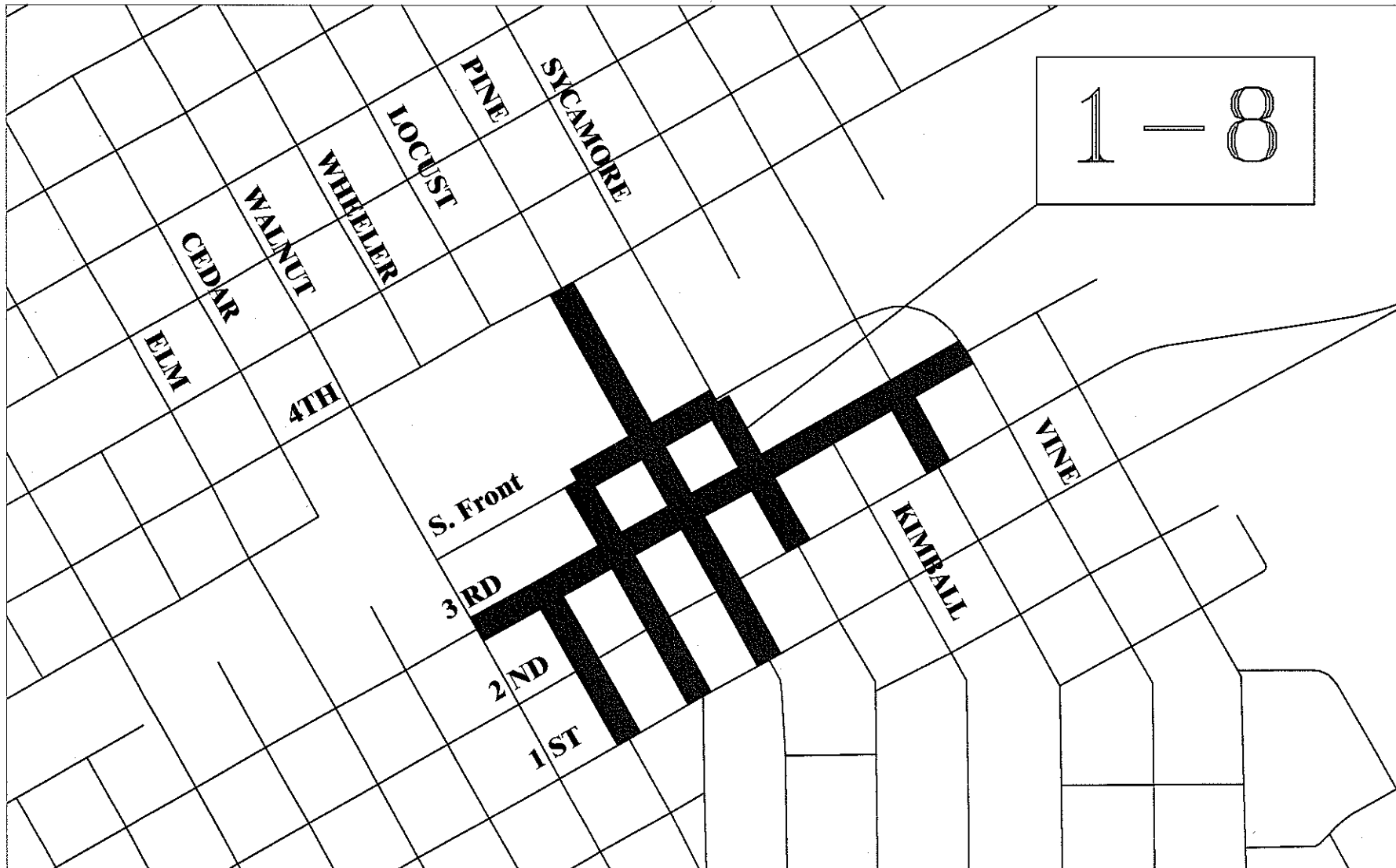
Recommendation

City Administration recommends that the Council approve awarding a contract to Gary Smith Construction Company, Inc. of Grand Island, Nebraska in the amount of \$718,376.68.

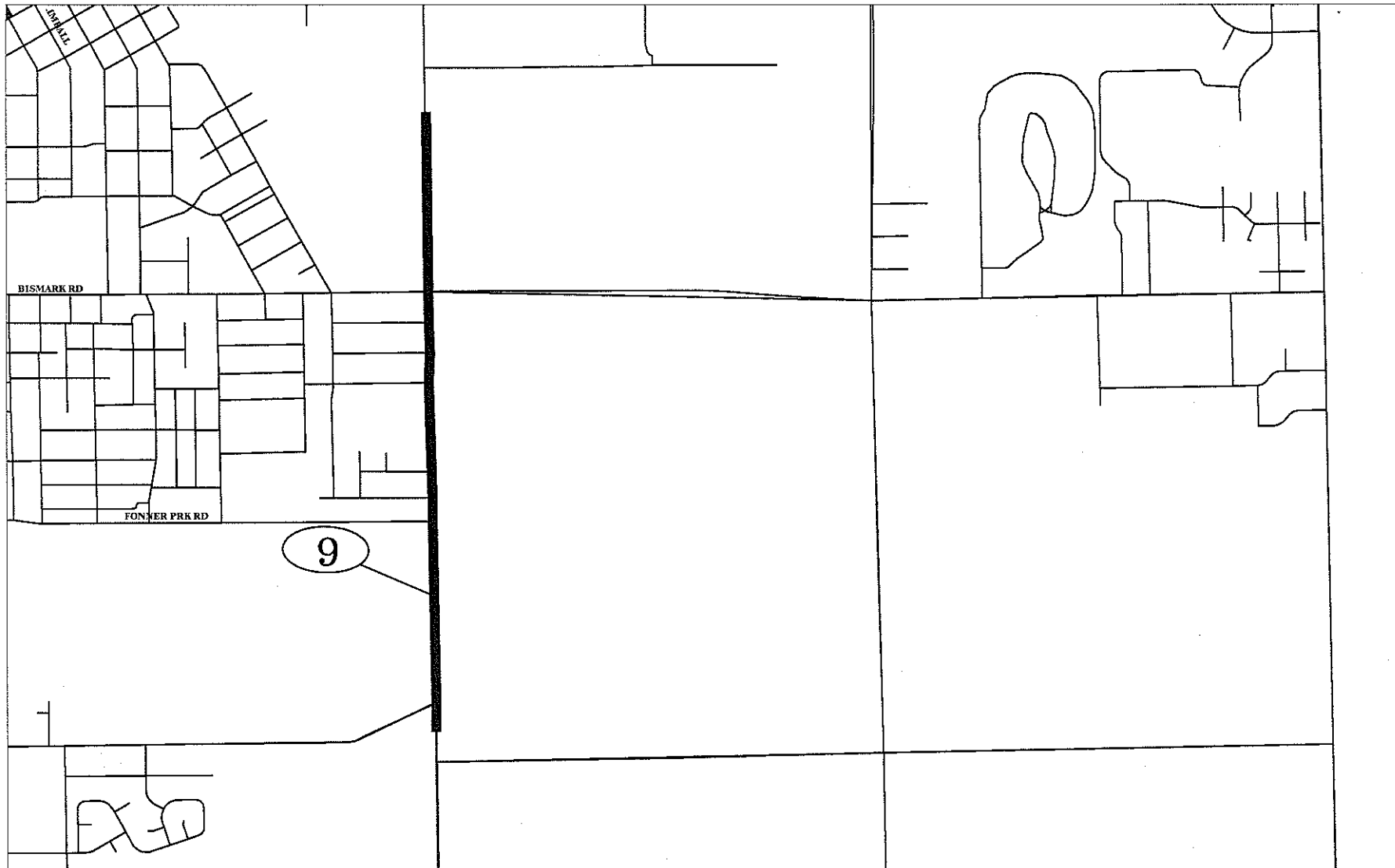
Sample Motion

Move to approve the bid award.

ASPHALT MAINTENANCE PROJECT 2008-AC-1



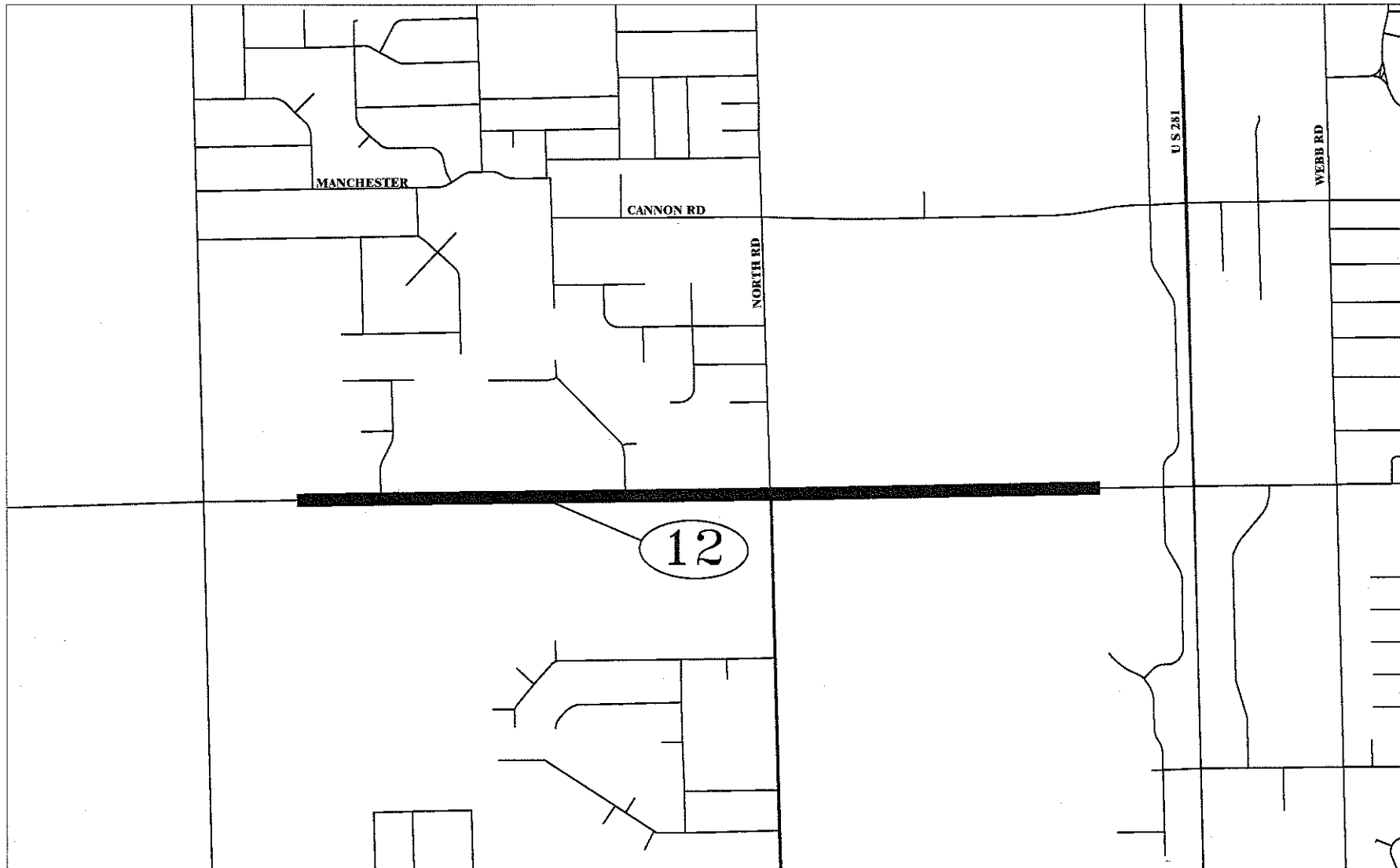
ASPHALT MAINTENANCE PROJECT 2008-AC-1



ASPHALT MAINTENANCE PROJECT 2008-AC-1



ASPHALT MAINTENCE PROJECT 2008-AC-1



ASPHALT MAINTENCE PROJECT 2008-AC-1



CONTRACT AGREEMENT

CONTRACT AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____, 2008, by and between Gary Smith Construction Company, Inc. of Grand Island, Nebraska hereinafter called the Contractor, and the City of Grand Island, Nebraska, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, in accordance with law, the City has caused contract documents to be prepared and an advertisement calling for bids to be published, for construction of **Asphalt Maintenance Project 2008-AC-1**; and

WHEREAS, the City, in the manner prescribed by law, has publicly opened, examined, and canvassed the proposals submitted, and has determined the aforesaid Contractor to be the lowest responsive bidder, and has duly awarded to the said Contractor a contract therefore, for the sum or sums named in the Contractor's bid, a copy thereof being attached to and made a part of this contract;

NOW, THEREFORE, in consideration of the compensation to be paid to the Contractor and of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the Contractor for itself or themselves, and its or their successors, as follows:

ARTICLE I. That the Contractor shall (a) furnish all tools, equipment, superintendence, transportation, and other construction materials, services and facilities; (b) furnish, as agent for the City, all materials, supplies and equipment specified and required to be incorporated in and form a permanent part of the completed work; (c) provide and perform all necessary labor; and (d) in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions of the contract documents as listed in the attached General Specifications and Special Provisions, said documents forming the contract and being as fully a part thereof as if repeated verbatim herein, perform, execute, construct and complete all work included in and covered by the City's official award of this contract to the said Contractor, such award being based on the acceptance by the City of the Contractor's bid;

ARTICLE II. That the City shall pay to the contractor for the performance of the work embraced in this contract and the contractor will accept as full compensation therefore the sum (subject to adjustment as provided by the contract) of **Seven Hundred Eighteen Thousand Three Hundred Seventy Six and 68/100 Dollars (718,376.68)** for all services, materials, and work covered by and included in the contract award and designated in the foregoing Article I; payments thereof to be made in cash or its equivalent in the manner provided in the General Specifications.

ARTICLE III. The contractor hereby agrees to act as agent for the City in purchasing materials and supplies for the City for this project. The City shall be obligated to the vendor of the materials and supplies for the purchase price, but the contractor shall handle all payments hereunder on behalf of the City. The vendor shall make demand or claim for payment of the purchase price from the City by submitting an invoice to the contractor. Title to all materials and supplies purchased hereunder shall vest in the City directly from the vendor. Regardless of the method of payment, title shall vest immediately in the City. The contractor shall not acquire title to any materials and supplies incorporated into the project. All invoices shall bear the contractor's name as agent for the City. This paragraph will apply only to these

materials and supplies actually incorporated into and becoming a part of the finished product of **Asphalt Maintenance Project 2008-AC-1**.

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CONTRACT AGREEMENT (Continued)

ARTICLE IV. That the contractor shall start work as soon as possible after the contract is signed and the required bond is approved, and that the work in this contract shall be completed no later than September 26, 2008.

ARTICLE V. The Contractor agrees to comply with all applicable State fair labor standards in the execution of this contract as required by Section 73-102, R.R.S. 1943. The Contractor further agrees to comply with the provisions of Section 48-657, R.R.S. 1943, pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this contract, the contractor and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis of race, color, religion, sex, national origin, age or disability. The Contractor agrees to comply with all applicable Local, State and Federal rules and regulations.

ARTICLE VI. GRATUITIES AND KICKBACKS: City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract to order.

IN WITNESS WHEREOF, the parties hereto have executed this Contract Agreement as of the date and year first above written.

Contractor _____

By _____

Date _____

Title _____

CITY OF GRAND ISLAND, NEBRASKA,

By _____ Date _____
Mayor

Attest: _____
City Clerk

The contract and bond are in due form according to law and are hereby approved.

_____ Date _____
Attorney for the City

Purchasing Division of Legal Department
INTEROFFICE MEMORANDUM



Dale M. Shotkoski, Assistant City Attorney

*Working Together for a
Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: May 13, 2008 at 11:00 a.m.

FOR: Asphalt Maintenance Project 2008-AC-1

DEPARTMENT: Public Works

ESTIMATE: \$645,045.62

FUND/ACCOUNT: 10033506-85354

PUBLICATION DATE: May 1, 2008

NO. POTENTIAL BIDDERS: 2

SUMMARY

Bidder:	<u>J.I.L. Asphalt Paving Co.</u> Grand Island NE	<u>Gary Smith Construction Co., Inc.</u> Grand Island NE
Bid Security:	Inland Insurance Company	Inland Insurance Company
Exceptions:	None	Noted
Bid Price:	\$807,161.70	\$797,882.76

cc: Steve Riehle, Public Works Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator

Catrina Delosh, PW Admin. Assist.
Wes Nespor, Assist. City Attorney
Tom Carlson, PW Engineer

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R E S O L U T I O N 2008-143

WHEREAS, the City of Grand Island invited sealed bids for Asphalt Resurfacing Project No. 2008-AC-1, according to plans and specifications on file with the City Engineer/Public Works Director; and

WHEREAS, on May 13, 2008 bids were received, opened, and reviewed; and

WHEREAS, Gary Smith Construction Company, Inc. of Grand Island, Nebraska submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$797,882.76; and

WHEREAS, Gary Smith Construction Company, Inc.'s bid is higher than the estimate for such project, but deemed acceptable because the 2nd bidder was approximately 1% higher.

WHEREAS, \$718,376.68 is available in the Fiscal Year 2007/2008 budget for this project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Gary Smith Construction Company, Inc. of Grand Island, Nebraska in the amount of \$797,882.76 for Asphalt Maintenance Project 2008-AC-1 is hereby approved as the lowest responsible bid.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute a contract with such contractor for such project on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 27,, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	<input type="checkbox"/> _____
May 23, 2008	<input type="checkbox"/> City Attorney