



City of Fayetteville

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Legislation Text

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TO: Mayor and Members of City Council

THRU: Kristoff Bauer, Deputy City Manager

FROM: Sheila Thomas-Ambat, PE, Interim Public Services Director
Tracey Broyles, Budget and Evaluation Director

DATE: December 10, 2018

RE:
Roxie Avenue Drainage Improvement Project Phase 1 - Bid Recommendation and Options

COUNCIL DISTRICT(S):
District 5

Relationship To Strategic Plan:

Goal 3: High Quality Built Environment

Executive Summary:

Council is asked to provide direction for the construction of the Roxie Avenue Drainage Improvement Project in the Welmar Heights neighborhood, along Martindale Drive and Roxie Avenue.

The project was advertised and bids were opened on September 25, 2018. The lowest bid was \$2,404,583 over the amount currently budgeted for the project. To provide the additional funding for the Roxie Avenue Drainage Improvement Project, construction services would have to be deferred for the Neville Street and North Street drainage improvement projects appropriated with the FY2018 project ordinance, and for the Louise Street and Spruce Street/Acorn Phase 3 drainage improvement projects appropriated with the FY2019 project ordinance, and spot repair, project management and easement funding would also be reduced. Additionally, the Beaver Creek 3 Watershed Study would be deferred to FY2020. These projects and the study would be rescheduled with the development of the FY2020 5-year Stormwater CIP plan.

Staff recommends that Council not award the contract and direct staff to conduct a value engineering analysis of this project to identify potential cost savings and/or the potential for project phasing, and then re-advertise the project for new bids. Alternatively, Council could elect to adopt Capital Project Ordinance Amendments 2019-24 and 2019-25 to repurpose \$2,748,759 of funding as noted above and award the bid to the lowest responsive, responsible bidder, Billy Bill Grading Company Inc., of Fayetteville NC in the amount of \$3,847,416.

Background:

The Roxie Avenue Drainage Improvement Project will construct drainage improvements in the Welmar Heights neighborhood, along Martindale Drive and Roxie Avenue. The improvements will alleviate localized street flooding and private property flooding caused by stormwater.

The project was first advertised for bids to be opened on September 11, 2018, however, only one bid was received. North Carolina General Statutes require three (3) bids in order to open the first advertisement for projects of this cost. The project was re-advertised and bids were opened on September 25, 2018.

Bids received are as follows:

Billy Bill Grading Company Inc., of Fayetteville, NC	\$3,487,416
Sandy's Hauling & Backhoe Service., of Roseboro, NC	\$3,494,225

The lowest bid was \$2,404,583 over the amount currently budgeted for the project. Should Council choose to award the contract, \$2,748,759 of additional funding is requested to be made available for this project to provide the funding needed to award the construction contract and to provide a \$344,176 funding contingency.

Issues/Analysis:

Increased bid and construction prices have required a re-evaluation of current drainage improvement project cost estimates. After the update, it has been determined that the currently appropriated project budgets and available Stormwater Fund balance are not sufficient to complete all previously planned drainage improvement projects with the FY2018 and FY2019 project appropriations.

To accommodate the price increase for Roxie Avenue Drainage Improvement Project and to ensure completion of this project, multiple projects would need to be deferred to include North Street, Neville Street, Louise Street, Spruce Street/Acorn Phase 3 and Beaver Creek 3 Watershed Study, and spot repair, project management and easement acquisition funding needs to be reduced. Without the repurposing of the funding, the construction contract could not be awarded.

An alternative to awarding the bid is to conduct a value engineering analysis of this project to identify potential cost savings and/or the potential for project phasing, then re-advertise the project for new bids. The design engineer estimated this project would cost \$2,937,135. The low bid came in at \$3,487,416, approximately 19% above the estimate. While it is unlikely the project can be built in the current market within the appropriated budget of \$1,081,488, it is anticipated that cost savings could be realized by re-assessing the project design and phasing plan.

Budget Impact:

There is no budget impact for the fiscal year 2019 Stormwater Management operating fund budget as the funds are being repurposed within existing project appropriations.

Options:

- Adopt CPOA's 2019-24 and 2019-25, and authorize the award and execution of the contract by the City Manager to Billy Bill Grading Company Inc. of Fayetteville, NC, as the lowest responsive, responsible bidder.
- Do not adopt the CPOA's or award the contract, and direct staff to re-evaluate the project.

Recommended Action:

Staff recommends that Council move to not award the contract or adopt the CPOA's and direct staff to conduct a value engineering analysis of this project to identify potential cost savings and/or the potential for project phasing, then re-advertise the project for new bids.

Attachments:

- BID TAB - Roxie Avenue Drainage Improvements Phase 1
- Capital Project Ordinance Amendment 2019-24 (FY18 Stormwater Drainage Improvements - Roxie Avenue
- Capital Project Ordinance Amendment 2019-25 (FY19 Stormwater Drainage Improvements - Roxie Avenue