



Staff Report

TO: City Council
FROM: Jeff Hart, Public Works Director
DATE: August 2, 2022
SUBJECT: Award a Public Works Agreement to Kemcorp Construction Inc. for Construction of Westside Fire Station CIP 2018-028

Background and Analysis:

On January 19, 2022, CIP 2017-028 Westside Fire Station (Project) was publicly advertised soliciting construction bids. On March 11, 2022, ten (10) bids were received and publicly opened. A bid protest was received on April 24, 2022; subsequently, the two lowest bidders were deemed non-responsive, and on June 21, 2022, City Council rejected all bids and authorized staff to readvertise for construction bid.

Pursuant to City Council's direction, the Project was readvertised on June 22, 2022. On July 18, 2022, seven (7) bids were received and publicly opened. The following is a summary of the received bids:

1. Kemcorp Construction Inc. (Kemcorp)	\$7,475,000
2. AMG	\$7,565,000
3. Archico	\$7,780,000
4. Robert Clapper Construction	\$7,791,000
5. Dalke & Sons	\$7,964,890
6. Horizons Construction	\$8,081,747
7. Newman Midland	\$10,612,198

Kemcorp was the apparent low bidder. The City received two bid protests, and in coordination with the City Attorney's Office reviewed the protest. It was determined that Kemcorp's bid substantially conforms to a call for bids and may be accepted as the variance does not appear to have affected the amount of the bid, or given the bidder an advantage or benefit not allowed other bidders.

Kemcorp possesses the appropriate contractor's license, has provided all requested information and bid bonds, and provided requested references as required by the contract documents

Therefore, staff is recommending the City Council waive all minor bid irregularities and award a public works agreement to Kemcorp for construction of the Project.

Fiscal Impact:

Project funding is based on the approved 5-Year CIP for various years as summarized below:

FY17/18	DIF	\$1,000,000
FY18/19	DIF	\$3,100,000
FY20/21	Bond Proceeds	\$3,984,954
FY20/21	General Fund Reserves	\$565,045
Total		\$8,649,999

The following table is a summary of the project budget prior to the award of the public works agreement to Kemcorp:

2017-028 Project Accounting Summary				
Project Components	Budget	Encumbered	Paid to Date	Remaining Budget
Project Management	\$ 2,500	\$ (2,317)	\$ 2,317	\$ 183
Preliminary Services	\$ 7,500	\$ (7,500)	\$ 7,500	\$ -
Environmental	\$ 150,000	\$ (146,559)	\$ 63,977	\$ 3,441
Design	\$ 270,000	\$ (270,101)	\$ 237,273	\$ (101)
Construction	\$ 8,113,500			\$ 8,113,500
Construction Management	\$ 40,000			\$ 40,000
Permits	\$ 66,499			\$ 66,499
Equipment				
Project Accounting Summary Totals	\$ 8,649,999	\$ (426,477)	\$ 311,067	\$ 8,223,522

The public works agreement for construction is in an amount not to exceed \$7,475,000. Staff is recommending a contingency of \$638,500, or approximately 9% of the public works agreement, to allow for incidental expenses, for a total construction budget of \$8,113,500. The construction budget will be established from the available CIP budget as shown in the preceding table.

Recommended Action:

Waive all minor bid irregularities and award a public works agreement to Kemcorp Construction Inc. for construction of Westside Fire Station CIP 2018-028 in an amount not to exceed \$7,475,000; and, authorize the City Manager to sign change orders up to an additional \$638,500 for a total construction budget of \$8,113,500.

Attachments:

A. Public Works Agreement (Kemcorp)