

STAFF REPORT

City Council Business Item

DATE: February 21, 2023

TO: Honorable Mayor and Council Members

FROM: Mat Nyberg, Public Works Project Manager

THROUGH: Merritt Perry, City Manager

SUBJECT: **Authorization to Award a Construction Contract for the Corp Yard Roofing Project (CIP 9969) to Darin Thomsen Construction and establish a maximum contract amount of \$150,000**

STAFF RECOMMENDATION:

Authorize the City Manager to award the Corp Yard Roofing Project (CIP 9969) to Darin Thomsen Construction and establish a maximum contract amount of \$150,000.

EXECUTIVE SUMMARY:

The City operates a Corporation Yard (Corp Yard) at 190 Dinsmore Drive, next to the City's wastewater treatment plant. The Corp Yard is the building that houses the City's Utilities and Streets divisions, in addition to the carpentry and mechanics shops. The Corp Yard Roofing Project has become necessary due to leaks that have developed in the carpentry and auto shops, which have significantly increased since last winter. The leaks will get worse and more numerous since the existing original roof has dozens of corroded seams, and for all intents the roof as a whole has reached the end of its service life.

The replacement project will also include new insulation, vents, skylights, jacks, trim, gutters and downspouts. The three skylights in the middle of the southern exposure will be omitted since they have little utility and would be a liability if solar panels were ever installed. The Project contract includes two bid alternates that staff recommend awarding. Bid Alternate A is to replace the Carpenter Shop 8.5-foot tall roll-up door with one that is 12-feet tall. The existing door is in need of repair because of poor functionality as a result of impacts due to clearance issues. A larger door would provide for more space and less potential for accidents throughout the years. Bid Alternate B is to replace damaged exterior wall sheet metal panels on the front corner of the building.

The Corp Yard Roofing Project bid package was released and publically advertised on December 12, 2022. The bid period ended on January 19, 2023, at which time the City received three responsive bids. The bid totals including base and alternate bid items are shown in the table below:

Bid Schedule	Bidders		
	Darin thomsen Const.	Ark Design	Harbert Roofing
Total Base Bid ¹	\$121,300	\$196,000	\$241,335
Total Alternate A ²	\$8,500	\$10,200	\$8,500
Total Alternate B ³	\$4,400	\$15,000	\$4,500
Total Base & Alternates	\$134,200	\$221,200	\$254,335

1. Replace roof, skylights, gutters, downspouts and trim
2. Replace carpenter shop roll-up door
3. Replace exterior wall panels on south side of southeast building corner

The apparent low bid was submitted by Darin Thomsen Construction with a total bid price of \$134,200 (including the bid alternates) which is within the total established City construction budget of \$150,000. The Engineers Bid Estimate for the total project (base plus all alternates) was approximately \$135,000.

City staff have confirmed that the bid received from Darin Thomsen Construction was fully responsive and that they and their sub-contractors have active licenses and registrations. Staff recommend awarding the contract to Darin Thomsen Construction.

If the project is awarded, staff anticipate being under contract in February. Mobilization and construction is anticipated to begin in April 2023, and will likely depend on weather. The draft Notice of Potential Award is included as Attachment A.

FINANCIAL IMPACT:

This project is funded by internal Capital Reserve Funds. See the table below for a breakdown of project funding.

Funding Source	Water Capital Reserve Funds	Sewer Capital Reserve Funds	Total Funding
City Fund Number	510	560	-
Funding Amount	\$75,000	\$75,000	\$150,000

As shown above, the total available funding for the project is \$150,000. Staff propose to award the project to Darin Thomsen Construction and enter into a contract for \$134,200 (the bid total), and to establish a maximum contract amount of \$150,000 (the budget total). The approximately \$15,800 difference between the bid total and the maximum contract amount would be reserved as a construction contingency to cover any unforeseen costs that arise during the project. The contingency would be approximately 10% of the total project value, which is a conventional value for construction contracts.

RECOMMENDED COUNCIL ACTION:

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to Authorize the City Manager to award the Corp Yard Roofing Project (CIP 9969) to Darin Thomsen Construction and establish a maximum contract amount of \$150,000.

ATTACHMENTS:

- Attachment A – Draft Notice of Potential Award

Attachment A

Sent via _____
February 22, 2023
Darin Thomsen
Darin Thomsen Construction
PO Box 270
Loleta, CA 95551
info@DTCbuildings.com.com

Re: **NOTICE OF POTENTIAL AWARD**
Corp Yard Project

Dear Mr. Thomsen

I am pleased to inform you of the intent to recommend that the City Council or its authorized designee award the Contract for the above-referenced Project ("Project") to Darin Thomsen Construction ("Contractor") for the Contract Price of \$134,200, based on Contractor's Bid Proposal submitted on January 19, 2023.

A copy of the Contract accompanies this Notice. Contractor must execute 2 copies of the enclosed Contract and return the wet-inked copies to my attention, accompanied by the required Payment Bond, Performance Bond, and insurance certificates and endorsements, no later than ten days from the date of this Notice of Potential Award, above.

Failure to execute and return the enclosed Contract and required bonds and insurance documentation within the specified time could result in forfeiture of Contractor's bid security. This Notice of Potential Award does not bind the City to award the Contract. The City, acting through its City Council or authorized designee, reserves the right to reject any or all bids, and the right to decline to award the Contract, notwithstanding any staff recommendation.

Please acknowledge receipt of this Notice of Potential Award by signing the attached Acknowledgement of Notice of Potential Award, as indicated, and transmitting the Acknowledgement to my office via email at mperry@ci.fortuna.ca.us; Do not hesitate to contact me if you have any questions in this regard.

Sincerely,
Merritt Perry
City Manager

Enclosure

Acknowledgement of Notice of Potential Award

On behalf of < _____ > ("Contractor"), I acknowledge receipt of the Notice of Potential Award for the Police Facility Remodel Project:

s/ _____

Name: _____

Title: _____

Date: _____