

# STAFF REPORT

## City Council Business Item

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**DATE:** October 7, 2024

**TO:** Honorable Mayor and Council Members

**FROM:** Brendan Byrd, Public Works Director/City Engineer

**THROUGH:** Amy Nilsen, Interim City Manager

**SUBJECT:** Authorize the Interim City Manager to Negotiate a Contract for the 2024 Stormdrain Lining Project, *Resolution 2024-33*

### **STAFF RECOMMENDATION:**

Adopt *Resolution 2024-33*, authorizing the Interim City Manager to negotiate a construction contract with Miksis Services, Inc. for the 2024 Stormdrain Lining Project without competitive bidding.

### **EXECUTIVE SUMMARY:**

As the Council is aware, the City has had ongoing issues with corrugated metal stormdrain pipe failure. Normally, the City has had several new pipes each year come to the forefront for replacement, which are usually identified by localized sinkholes. Earlier this year staff developed and advertised a project for bid to rehabilitate/line failed stormdrain assets at three priority locations, including:

- 112-feet of 36-inch culvert crossing 3<sup>rd</sup> Street near the Auction Yard
- 230-feet of 18-inch culvert located along Rohnerville Road fronting the new Police Facility
- 42-feet of 18-inch culvert crossing Elizabeth Barcus Way

Each of the locations above are good candidates for lining, where the contractor can ‘trenchlessly’ rehabilitate the pipe without having to excavate or disturb the ground. Unfortunately, the City did not receive any bids for this project.

After the bid period closed staff reached out to the list of northern California contractors that perform this type of work. Most contractors cited inability to meet the City’s desired schedule (before this winter) as their reason for not submitting a bid however one contractor, Miksis Services, noted they were interested and would have provided a bid however they were unable to at the time of bid solicitation. Recognizing the need to get these repairs performed before this coming winter in order to avoid further potential road damage from sinkhole development, staff asked for an informal bid from the contractor to complete the work associated with the City’s bid package. The contractor provided a bid for services, included in Attachment B, and indicated that they could complete the repairs before the winter months arrive.

Given the City’s need to get the work performed, and the inability to procure a contractor using formal competitive bidding, staff are proposing to sole-source award the contract to Miksis Services. This type of contract award is allowable as set forth in Fortuna Municipal Code Section

2.50.070 (D), when it is found by Council Resolution that direct negotiations best serve the City. A copy of the resolution drafted by staff, and reviewed by the City Attorney, has been included as Attachment A. In addition to the need to get the work done as soon as possible, staff have reviewed Miksis' bid and finds their proposed price competitive with market bidding rates. Lastly, Miksis is a licensed and qualified local contractor in this type of construction, and they have successfully performed the only other culvert lining jobs that have been completed in Fortuna in recent years.

Should the Council approve of a contract award via direct negotiations, staff would finalize a contract with Miksis Services, and staff anticipate work commencing within a month after the Council meeting. All project work should be completed with one-week.

**FINANCIAL IMPACT:**

As shown in Attachment B, Miksis Services quote for the repairs as noted is \$158,170. Staff are seeking authorization for the ability to negotiate and execute a contract for this amount, and to establish a contract not too exceed value of up to \$175,000, which would allow for an approximate 10% construction contingency. Staff would cover the cost for these repairs out of the Measure E-funded Stormdrain Maintenance Fund, which currently has a balance of approximately \$195,000.

It should be noted that the remaining balance of the Measure E Stormdrain Fund is currently obligated to the creek bank repair along Rohner Creek behind the Cook Shack, so this lining project would expend the entirety of the available Measure E funding for this fiscal year. Should another failure occur that requires immediate attention, funding for that effort would need to come from the City's drainage fund or General Fund CIP reserve, which collectively currently has a fund balance of approximately \$550,000.

**RECOMMENDED COUNCIL ACTION:**

1. Receive staff presentation and review Council questions with staff
2. Open Public Comment
3. Close Public Comment
4. Motion to adopt *Resolution 2024-33*, read by title only, and authorize the Interim City Manager to negotiate a construction contract for the 2024 Stormdrain Lining Project. Roll Call vote.

**ATTACHMENTS:**

- *Resolution 2024-33, A Resolution of the City Council of the City of Fortuna Authorizing the City Manager to Negotiate and Execute a Construction Contract for the 2024 Stormdrain Lining Project*
- Miksis Services Scope of Work and Fee