

**CITY OF SAN ANTONIO
PUBLIC WORKS DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council
FROM: Thomas G. Wendorf, P.E., Director of Public Works
SUBJECT: Ave Maria Drainage
DATE: January 5, 2006

SUMMARY AND RECOMMENDATIONS

This ordinance accepts the lowest responsive bid, appropriating funds, and awarding a construction contract in the amount of \$3,556,180.64 payable to Valemas, Inc., authorizing \$266,036.45 for project contingency, \$204,848.06 for capital administration cost, and \$2,000.00 for advertising expenses, for a total amount of \$4,029,065.15, \$127,024.00 of which to be reimbursed by City Public Service Energy (CPS Energy) and \$768,792.19 of which to be reimbursed by San Antonio Water System (SAWS), in connection with the Ave Maria Drive – San Pedro to Jackson Keller Project, an authorized 1999-2004 General Obligation Drainage Improvement Bond funded project located in District 1.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

This project provides for the reconstruction of Ave Maria to a 30-foot width from Jackson Keller to San Pedro, drainage channel improvements from Jackson Keller to Oak Bend, and any necessary utility improvements. This project will also include parkway improvements, such as curbs, sidewalks, and driveway approaches. Project construction is anticipated to begin in January 2006 and to be completed by January 2007.

This project was advertised for construction bids in the Commercial Recorder, the San Antonio Informer, and La Prensa in September 2005. In addition, the bid announcement was made on TVSA, through the Small Business Economic Development Advocacy (SBEDA) Office and Dodge Report. Plans were also available for review by potential bidders at the office of Turner Collie & Braden, Inc. 6800 Park Ten Blvd., Suite 180 S, San Antonio Texas 78213. Bids for this project were opened on October 19, 2005, and five (5) firms responded. Of these, Valemas, Inc. submitted the lowest responsive bid. Valemas, Inc., currently has two (2) active contracts with the City in the amount of \$4,753,000.00. A matrix of the bid outcome is included herein as Attachment 2 and the construction contract is included herein as Attachment 3.

The lowest responsive bid is 11.4% higher than the project construction budget due to the continued escalating bid prices as a result of higher petroleum bi-products that add to the unit price of construction contracts. Additionally, the current construction climate in San Antonio is such that demand for construction continues to increase while the supply of construction companies has not grown at the same rate.

The Economic Development Department has reviewed and approved the Good Faith Effort Plan submitted by Valemas, Inc., and the contractor has committed that 56.78% of the work provided under this contract shall be completed by a MBE firm, 3.5% will be completed by a WBE firm and 59.19% will be completed by a SBE firm. The Memorandum from the Economic Development Department is included herein as Attachment 4.

POLICY ANALYSIS

Approval of this ordinance will be a continuation of City Council policy to complete previously approved 1999-2004 General Obligation Drainage Improvement Bond funded projects.

FISCAL IMPACT

This is a one-time capital improvement expenditure in the amount of \$3,133,248.96. Funds in the amount of \$1,904,000 are available from 1999-2004 General Obligation Drainage Improvement Bond, \$39,000 is available from Drainage Bond Balances, \$1,190,248.96 is available from Certificates of Obligation, \$127,024 is available from CPS, and \$768,792.19 is available from SAWS. Total funds in the amount of \$4,029,065.15 are authorized to be appropriated and payable as follows:

\$3,556,180.64	payable to Valemas, Inc. for construction services
\$ 266,036.45	for Project Contingency
\$ 204,848.06	for Capital Administrative Cost
\$ 2,000.00	for Advertising Expenses

A portion of this item in the amount of \$304,248.96 is not within budget and is not included in the 2006-2011 Capital Budget. These funds are available from a settlement agreement reached on October 7, 2005, that released funds held by the Registry of the Court in the amount of \$335,460.20 in connection with the Babcock Road/Leon Creek Improvements – Hausman to DeZavala Project.

COORDINATION

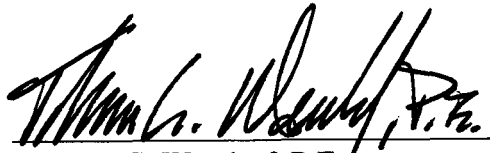
This request for ordinance has been coordinated with the Office of Management and Budget and the Finance Department.

SUPPLEMENTARY COMMENTS

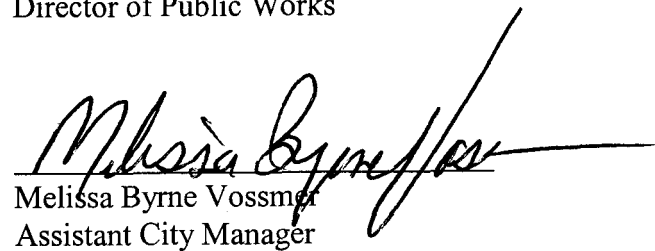
This construction contract was developed utilizing the formal competitive bid process; therefore, a Discretionary Contracts Disclosure Form is not required.

ATTACHMENTS

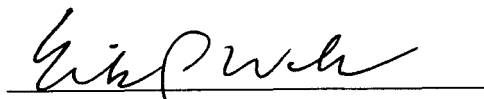
1. Project Map
2. Bid Tab
3. Construction Contract
4. Memo from the Economic Development Department dated October 28, 2005.



Thomas G. Wendorf, P.E.
Director of Public Works

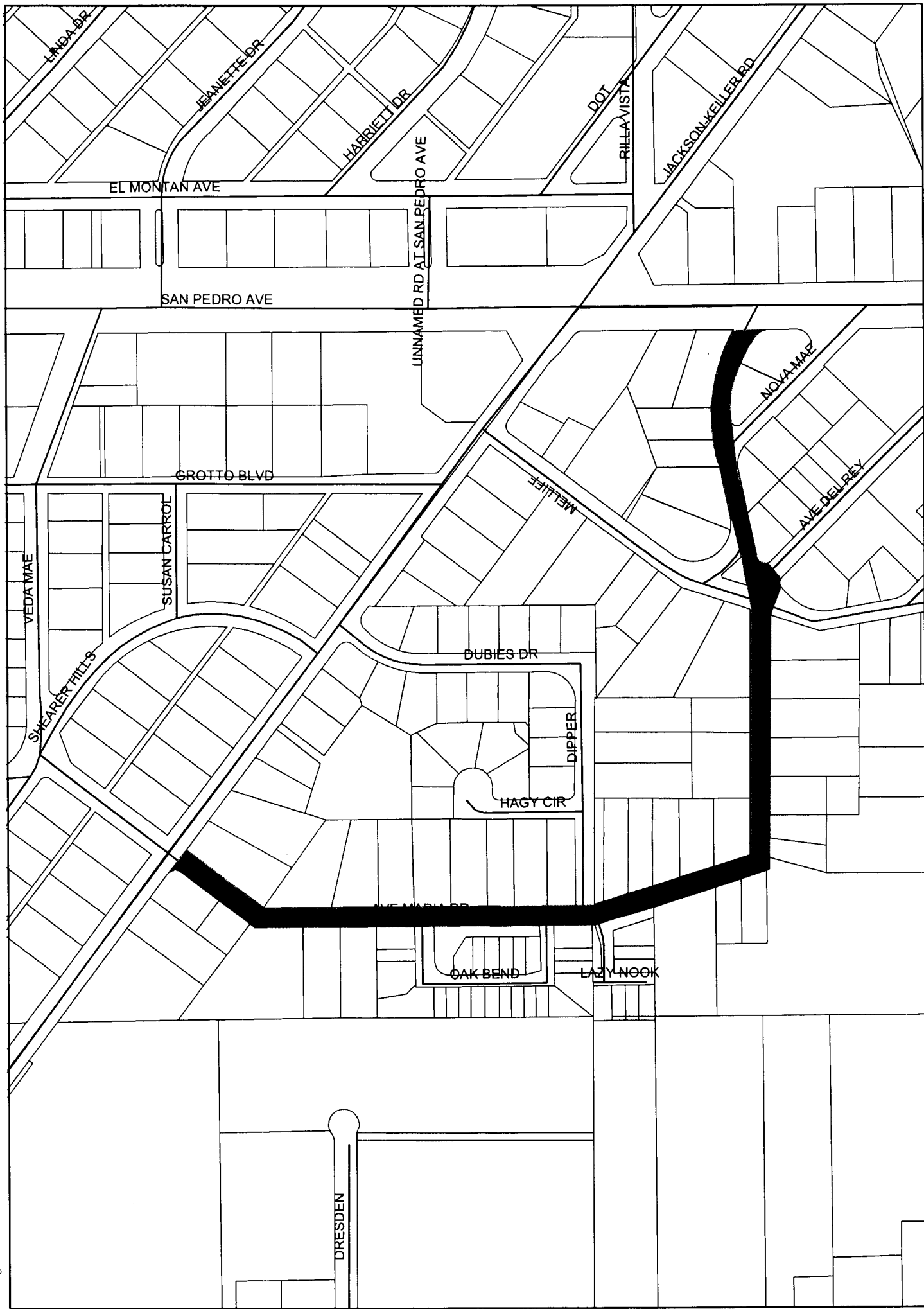


Melissa Byrne Vossmer
Assistant City Manager


+ Sheryl Sculley
City Manager



AVE MARIA DRAINAGE



CITY OF SAN ANTONIO
Interdepartmental Correspondence Sheet

TO: WJ William E. Krause, Capital Programs Manager
FROM: ASM Ferdous, PE, Project Manager
COPIES: Myron Decuir, Plans and Records; Cindy Kovacic, PE, SAWS; File
RE: Ave Maria Drainage (Council District 1) Bid Results

November 23, 2005

Bids received and opened: October 19, 2005

Bid Tabulation:

	Valemas	E-Z Bel Construction	Pronto Sandblasting	Texas Sterling	RL Jones
Base Bid	\$ 2,660,364.45	\$ 2,823,347.20	\$ 2,982,367.50	\$ 3,115,173.00	\$ 3,497,234.75
Water Bid	\$ 404,809.37	\$ 485,443.00	\$ 406,326.00	\$ 503,978.50	\$ 477,260.50
Sewer Bid	\$ 363,982.82	\$ 448,217.25	\$ 445,967.00	\$ 446,290.00	\$ 464,082.00
Gas Bid	\$ 127,024.00	\$ 122,113.50	\$ 127,600.00	\$ 131,788.73	\$ 121,274.35
Total Bid	\$ 3,556,180.64	\$ 3,879,120.95	\$ 3,962,260.50	\$ 4,197,230.23	\$ 4,559,851.60

Plans and specifications prepared by:

Turner Collie & Braden
6800 Park Ten Blvd, Suite 180 S
San Antonio, TX 78213

Funding:

This project is funded with 1999 Drainage Bonds and 2006 Certificates of Obligation. The total budget available for all construction related expenses is \$2,829,000.

Recommendation:

The low bidder is Valemas with a total bid of \$3,556,180.64. The City of San Antonio's portion of the low bid is \$2,660,364.45. After factoring in contingency, expense recovery and material testing, the City's total construction cost is \$3,165,833.70 amounting to a shortfall of \$336,833.70.

An Administrative hearing was held with Valemas due to past issues with their subcontractor on previous projects. At the administrative hearing, Valemas adequately demonstrated that corrective measures have been taken in preparation for this project.

I recommend identifying alternate funding sources to cover the shortfall and awarding the contract to Valemas. Please appropriate funds to the following WBS elements. Funds for material testing (\$53,207.29) are included in the City Construction cost as shown below.

**City of San Antonio
Economic Development Department
Interdepartmental Memorandum**

TO: William Krause, Capital Programs Manager, Public Works Department

FROM: Manuel Longoria, Jr., Assistant Director, Economic Development Department

COPIES: Yvette Ozuniga; Anita Uribe Martin; File

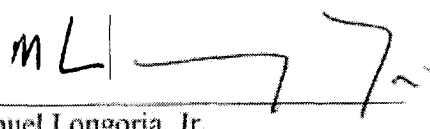
SUBJECT: Good Faith Effort Plan Submitted for the **Ave Maria Drive -- San Pedro to Jackson Keller Project**

DATE: October 28, 2005

We have reviewed the Good Faith Effort Plan for the **Ave Maria Drive -- San Pedro to Jackson Keller Project**. The apparent low bidder has submitted contract amounts, which are reflected in the accurate percentages below.

<u>Total Project Cost</u>						
\$3,556,180.64						
FIRM	CERTIFIED	MBE	WBE	AABE	SBE	GFEP
Valemas, Inc.	Yes MBE, SBE	56.78% \$1,980,000	3.5% \$125,000	% \$	59.19% \$2,105,000	APPROVED

If there are any questions, please feel free to contact Anita Uribe Martin at (210) 207-3900.



Manuel Longoria, Jr.
Assistant Director
Economic Development Department

ML/hv