

Council Meeting Staff Report

November 29, 2022

Agenda No.:	C.
Indexes (Council Goals):	* 2022 Council Goal - Investing in Infrastructure
Presenters:	Eric Ulibarri; James Alarid
Legislative File:	AGR0849-22

Title

Award of Bid No. 23-41 in the Amount of \$3,364,769.80 plus Applicable Gross Receipts Tax to TLC Plumbing & Utility for Construction of the 33rd/34th and Arkansas Road and Utility Improvements Project; Establish a Project Budget in the Amount of \$4,062,462.54 for Roadway and Utility Work; and Approve Related Budget Revision 2023-24

Recommended Action

I move that Council award Bid No. 23-41 in the Amount of \$3,364,769.80 plus Applicable Gross Receipts Tax to TLC Plumbing & Utility for Construction of the 33rd/34th and Arkansas Road and Utility Improvements Project; Establish a Project Budget in the Amount of \$4,062,462.54 for Roadway and Utility Work; and Approve Related Budget Revision 2023-24 as summarized on Attachment D.

I, further, move that Attachment D be made a part of the minutes of this meeting.

County Manager's Recommendation

The County Manager recommends that Council approve the motion as presented.

Board, Commission or Committee Recommendation

The Utilities portion of the bid was approved by the Board of Public Utilities on November 16, 2022 and recommends forwarding the project to Council for approval. A copy of the Board's agenda documentation is attached for reference (Attachment A).

Body

Background

The Department of Public Utilities approached the Public Works Department in 2020 because of multiple underground utility failures in the vicinity of the 33rd and 34th Street loop near Aspen Elementary. Seeing the immediate need for reconstruction of the utility infrastructure in the area and poor to moderate Pavement Condition Index (PCI) scores in the area, Public Works requested and was granted a budget option in the FY 2022 budget cycle.

On April 7, 2022, the County advertised a formal competitive solicitation for project construction through Invitation to Bid No. 22-65 with no bids received.

On October 17, 2022, the County advertised a formal competitive solicitation for project construction through Invitation to Bid No. 23-41. One response was received on November 3, 2022, and the evaluation committee is recommending award to the bid provided by TLC Plumbing & Utility.

Roadway and Utility improvements are proposed on 33rd St. beginning 550 feet south of the intersection with Villa St. northwards to 34th St., 34th St. from the intersection of 33rd St. south to the Villa St. intersection. (See Attachment B - Project Vicinity Maps).

Roadway work will include reconstruction of roadway infrastructure and drainage improvements to include removal of existing asphalt surface and base material. Re-compaction of subgrade and base

material and installation of new asphalt surface. Reconstruction of driveways, sidewalks, curb ramps, fillets, and curb and gutters will be completed on an as needed basis. A new storm drain installation will include new storm drainpipe, retrofitting drop inlets tops and installation of three (3) curb drop inlets. (Roadway Reconstruction: Approximately 3,470 feet).

Utility work will include installation of new water lines and services in all the roads listed above. All existing sewer crossings beneath the reconstructed roads will be replaced using trenchless methods. A 10" sewer line in the back yards of homes fronting 35th Street will be rehabilitated using the trench less method of spiral PVC lining. Existing water lines will be capped and abandoned. All existing surface features will be removed and disposed.

During construction, the contractor will utilize a staging area at the overflow parking lot on the west side of the Golf Course (4290 Diamond Drive).

A public meeting was held on March 3, 2022, in conjunction with the regular Transportation Board meeting to obtain input on the design.

Upon Council approval, the Notice of Award will be sent to the contractor on November 30, 2022, and work will begin on or before April 4, 2023. The contract includes a substantial completion date of September 23, 2023, a final completion date of October 28, 2023, and liquidated damages for late completion.

Upon receipt of a schedule from the contractor and subsequent approval by the County, the schedule and traffic impacts will be shared with the public through weekly construction updates to general media and posted on the project website. Traffic impacts will be minimized to the greatest extent possible during construction with the county providing a thorough review of traffic control plans prior to issuance of construction permits. Staff will also monitor all traffic control installations to ensure proper installations. Staff will work closely with the contractor, the schools, and area residents regarding changes and maintenance of traffic access including any special needs, refuse pick up, mail delivery, and water shutoff periods.

Bid Analysis

Given the recent observations of the current bidding climate for this and other projects, staff has assembled the following observations, research and analysis for price variances and low contractor interest:

1. Unanticipated Market Tightening
 - a. Increases in work, particularly in larger, urban areas, appears to decrease contractor availability and interest given their large backlog of work.
 - b. Decrease in available skilled labor force and regional availability along with lingering Covid-19 related impacts.
 - c. Increased subsistence costs associated with out-of-region labor.
 - d. Smaller projects not attracting more and larger contractor interest.
 - e. Construction costs in Los Alamos County are historically higher than other areas located within or near more densely populated locales. Often, contractor home offices and their labor force mobilize and travel from outside the county.

2. Cost Escalation

- a. The last two years (2021-2022), have shown unprecedented increases in construction costs due to supply-chain bottlenecks and a tight labor market. The steep escalations in costs are being seen nationwide with the NMDOT recently reporting bids received more than two times over estimated construction costs.
- b. The Associated General Contractors of America have indicated that the military conflicts and global uncertainty have further contributed to cost increases.
- c. Recent higher oil and fuel prices have increased asphalt pavement and transportation costs. This translates to increased material and shipping costs and localized trucking costs for transporting materials to and from construction sites such as asphalt, concrete, soil, aggregate and waste materials.

Given the above analysis, staff finds the bid for the project reasonable. Delaying the work could result in further costs increases over time.

Alternatives

Council could choose to not approve the agreement and postpone or cancel the project with the consequence that the existing infrastructure will continue to deteriorate.

Fiscal and Staff Impact/Planned Item

The FY2022 adopted budget includes \$2,500,000 for the roadway portion of the project through the County's Capital Improvement Program (CIP).

The required budget for the roadway portion of the project including contingency for unanticipated changes or field conditions is \$2,987,500-this includes a transfer of \$470,000 from the Canyon Road Reconstruction project, and \$30,000 from the Cumbres Del Norte Road Improvements projects which were both completed under budget in FY 23. The Utilities budget is \$1,074,962.54, for a total combined project budget of \$4,062,462.54. See Project Budget Spreadsheet (Attachment C) and Budget Revision Form (Attachment D) for additional details.

Attachments

- A - Board of Public Utilities Agenda Document
- B - Project Vicinity Maps
- C - Project Budget Spreadsheet
- D - Budget Revision Form 2023-24