



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Rick DeSantiago, Public Works Manager

Date: July 11, 2023

Subject: Construction Agreement to NPG, Inc. for the City-Wide Annual Asphalt Maintenance and Repair, New Installation Program, and On-Call Emergency Construction Services, Project No. Z10002

Recommendation

Approve and authorize the City Manager to execute a Construction Agreement with NPG, Inc. for City-Wide Annual Asphalt Maintenance and Repair, New Installation Program, and On-Call Emergency Construction Services in an amount not to exceed \$2,000,000.00 in such final form as approved by the City Attorney and authorize the City Manager to execute change orders not to exceed a 10% contingency amount of \$200,000.00 for construction uncertainties and adjustments.

Background

After a successful notice inviting bid posting on May 5, 2023, the City received two bids on or before the June 5, 2023, deadline. The notice inviting bids detailed 28 areas of asphalt maintenance and repair with ancillary items to support the need for new installation and on-call emergency construction services. This asphalt pavement maintenance and repair scope of work has been an important and critical benefit to the City's pavement management effort. The annual services in this agreement are ongoing and augment City staff services on a routine and emergency basis. The annual review of these services is essential to ensure best pricing and all-encompassing scope of work requirements.

Discussion

This agreement will provide the needed resources to effectively take preventive and repair action on the City's roadways and systematically assess maintenance and repair forecasting, and work scheduling to optimize pavement conditions. Establishing the unit price of the 28 different elements in this notice inviting bid allows City staff to incorporate life cycle costs into a more organized and logical approach to minor and major road maintenance and reconstruction projects.

The City's needs of the entire asphalt roadway network as well as repair budget projections are better considered because the fixed unit cost of the high demand repair elements are pre-established in this construction service agreement.

The unit price collection of the data in the contractor's bid submittal has been evaluated by City staff. In total, the low bid was provided by Hardy & Harper, Inc. However, detailed examination of both contractors (Hardy & Harper, NPG) authenticates a larger cost difference between both contractors on the weighted elements in the notice inviting bid. The weighted elements are repair elements that the City will have a much higher demand and usage for throughout the term of the agreement. The City's asphalt repair experience and demand history supports 14 weighted elements. The annual repair and work effort in this large scope of work forecasts nearly 85% of the \$2,000,000 agreement amount will be expended on the weighted elements. Taking this into consideration, the listed 14 weighted elements below show the large difference between both contractors on the weighted elements and clearly establish a more cost-effective bid submittal by NPG, Inc.

Contractor	Total Bid
Hardy & Harper	\$31,897.50
NPG	\$32,618.89

15 Weighted Elements			
Element	Unit Type	Hardy & Harper Total	NPG Total
1.Remove and replace Asphalt 4" Max	Sq.Ft.	\$87.00	\$22.70
2.Remove and replace Asphalt 8" Max	Sq.Ft.	\$125.00	\$35.25
3.Install 6' class two base	Sq.Ft.	\$44.00	\$19.65
4.Two-inch taper edge grind 5 to 6 ft	Ln.Ft.	\$46.00	\$20.00
5.Two-inch asphalt grind and pave	Sq.Ft.	\$62.00	\$19.40
6.Two-inch asphalt overlay	Sq.Ft.	\$38.20	\$15.45
7.Install type 6" asphalt berm	Ln.Ft.	\$63.50	\$46.50
8.Install type 8" asphalt berm	Ln.Ft.	\$75.50	\$55.50
9.Install asphalt skin patch	Sq.Ft.	\$53.00	\$13.75
10.Install grub/rough grade grass dirt area	Sq.Ft.	\$21.40	\$8.00
11.Crack sealing (hot rubber)	Ln.Ft.	\$26.30	\$5.70
12.Slurry coat (one coat)	Sq.Ft.	\$13.50	\$1.15
13.Slurry Coat (two coats)	Sq.Ft.	\$14.80	\$1.14
14.Type II Road slurry	Sq.Ft.	\$23.50	\$11.55
Total		\$693.70	\$275.74

Construction Services Agreement with NPG, Inc.

The above chart illustrates a huge difference in the amount of services NPG, Inc. can provide at a significantly lower cost than Hardy & Harper, Inc. If the City were to purchase one unit of each 14 elements listed above the City would pay \$417.96 less if purchased from NPG, Inc. The cost comparison of the 14 weighted items clearly shows the best and most cost-effective decision is to award the construction agreement to NPG, Inc.

NGP, Inc. has a working history with the City and has provided these services for several years and meets all the conditions of the notice inviting bids. Once the agreement is awarded and executed, NGP, Inc. is prepared to begin work on the City's asphalt maintenance and repair, new installation program, and on-call emergency construction services.

Fiscal Impact

Funds are available in the CIP Citywide Crack & Seal & Pothole Improvements Program and the Citywide Dirt Road Paving Program Z10002.

Attachments

Attachment 1 - Agreement
Exhibit A - Bid Packet