



Agenda Memorandum

Agenda Item – {{section.number}}.E.

City Council Meeting
May 8, 2023



Strategic Priority 5: Robust Infrastructure

Provide safe and equitable access to core services and amenities by safeguarding, maintaining and improving the city's water, wastewater, stormwater, mobility and roadway systems.

Subject: Award of 2023 Contract to Andale Construction Inc. for the Asphalt Pavement Preservation-High Density Mineral Bond HA5 Project with Options for Four One-Year Renewals for 2024, 2025, 2026, and 2027

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Recommended City Council Action:

1. Authorize the City Manager to execute a contract with Andale Construction Inc. for the 2023 Asphalt Pavement Preservation-High Density Mineral Bond HA5 Project in the amount of \$237,881 plus a contingency of \$35,683 for a total authorized expenditure not to exceed \$273,564 in 2023.
2. Authorize the City Manager to execute a contract with options for four one-year renewals, subject to annual appropriation, for 2024, 2025, 2026, and 2027 for the Asphalt Pavement Preservation-High Density Mineral Bond HA5 Project with the low bidder Andale Construction Inc. based on the bid's unit prices that cannot exceed the annual percent of change of the Denver-Aurora-Lakewood Consumer Price Index for all urban consumers each year. This authorization will allow for yearly fluctuating quantities and a project contingency of 20% each year.

Summary Statement:

- The City of Westminster maintains 1,136 lane miles and 106 parking lot areas at 72 City facilities, parks, and open spaces.
- The 2023 Asphalt Preservation Program–High Density Mineral Bond HA5 Project (Project) will perform work in the Kings Mill Park parking lot, Longsview Park parking lot, Little Dry Creek Dog Park parking lot, City Hall parking lot, Public Safety Center drive and parking lot, and the Municipal Court House Sally Port, maps for each location are attached for reference.

- The Project also includes the trial application of HA5 to residential roads in the Crowne Pointe neighborhood at 100th Avenue and Garland Street, map attached for reference.
- Formal Bids were solicited for the Project on the City's website through BidNet Direct with one vendor responding.
- The only bidder, Andale Construction, Inc. (Andale), meets all the City's bidding requirements. Andale has previously performed the City's Parking Lot Preservation Program and has performed asphalt preservation on residential roadways and parking lots in cities around the Denver metropolitan area.
- High Density Mineral bond HA5 (HA5) is an alternative to traditional micro surface, seal coats, and chip seals.
- HA5 provides a barrier on existing asphalt surfaces to help slow the oxidative and ultraviolet ray deterioration that naturally occurs with asphalt.
- The City has been using HA5 on City Parking lots since 2020.
- This contract contains four one-year renewals for 2024, 2025, 2026, and 2027.
- Adequate funds were budgeted and are available for these expenditures in 2023. Subsequent renewals are contingent on annual appropriations.

Fiscal Impact:

\$273,564 in expenditures for 2023

Source of Funds:

Capital Improvement Fund: City Facility Parking Lot Major Rehabilitation and Reconstruction, City Facility Parking Lot Maintenance, PRL City Facility Parking Lot.

General Fund: Public Works and Utilities Department, Street Operations Operating Budget.

Policy Issue(s):

- Should City Council award the Project contract to low bidder Andale?
- Should City Council authorize the City Manager to execute the contract with options for 2024, 2025, 2026, and 2027 renewals with Andale based on the year's unit prices that cannot exceed the annual percent of change of the Denver-Aurora-Lakewood Consumer Price Index (CPI-U) for all urban consumers, actual quantities, including a 20% project contingency?

Alternative(s):

1. City Council could instruct Staff to reject the bid received and rebid the Project. This alternative is not recommended because the Project was advertised on the City's website through BidNet

Direct, which is the City's portal for competitive project bidding. Staff advises that Andale's bid represents the best value to the City.

2. City Council could choose to not maintain or preserve the parking lots and trial residential roads identified in the Project. Staff does not recommend this alternative because maintenance and preservation of these parking lots and trial residential roads is in the best interest of the City, and the most cost-effective treatments to prolong the pavement life cycle. The Project also provides the City the opportunity to monitor and evaluate the long term effectiveness of HA5 for broader applications on the City's residential streets.
3. City Council could choose to not authorize the City Manager to execute the contract with options for four one-year renewals for 2024, 2025, 2026, and 2027. Staff does not recommend this alternative because the project was competitively bid, and multi-year bids have been shown to yield lower pricing over single-year bids. Staff is also able to be more efficient with renewal projects compared to putting a project out to bid each year.

Background Information:

The City of Westminster maintains 1,136 lane miles and 106 parking lot areas at 72 City facilities, parks, and open spaces within City limits. The Project's parking lots and trial residential roads require maintenance and preservation treatments to prolong the pavement life cycle. The City's computerized pavement management system along with Staff have determined that HA5 is the best and most cost-effective pavement preservation method for the parking lots and roads identified in the Project. Proper preservation methods help slow the oxidative and ultraviolet ray deterioration which naturally occurs with asphalt.

Formal bids were solicited on the City's website via BidNet Direct. Andale was the only contractor who responded. The following bid was received.

Andale Construction Inc.	\$237,880.70
Staff Estimate	\$241,526.01

The low bid reflects a 6.5% increase from 2022. The total bid is 2% lower than the Staff estimate.

Staff recommends awarding the Project to Andale. Andale meets all the City's bid requirements. Andale has been awarded and successfully completed similar projects in Westminster and the surrounding municipalities for more than 10 years. The most recent Westminster project award to Andale was in 2020, with two successful renewal options in 2021 and 2022.

This contract includes four one-year renewals for 2024, 2025, 2026 and 2027. Multi-year bids have shown to yield lower pricing over single-year bids. This authorization will allow for yearly fluctuating quantities and a project contingency of 20% each year. These renewals will be negotiated and agreed to by both parties, and any unit price cost adjustment shall not exceed the annual CPI-U and are subject to annual appropriations.

The proposed City Council action helps achieve the City's Strategic Plan goals to foster and maintain a beautiful, desirable, safe, and environmentally responsible City and to advance the City's long-term sustainability to provide ongoing excellence in City services and a well-planned community that meets the needs of resident now and in the future by providing a well maintained sustainable City

infrastructure for the residents and guests of Westminster, while selecting a vendor that provides the best value to the City.

Respectfully Submitted,

Mark A Freitag

Mark A. Freitag
City Manager

Attachments:

Attachment - Exhibit C 2023 HA5 Locations and Map

Attachment - Signed CSP, Andale Construction