



TO: Mayor Chuck Barney
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: April 16, 2018

SUBJECT: Demolition Bid Award for CDBG-NDR Buy-out Acquired Structures

I. RECOMMENDED ACTION

Approve Staff Recommendation on Bid Award for Demolition of NDR Structures (Project No. 3755.6) to be made to Berger Enterprises, LLC

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Grant Program Manager & Chief Resilience Officer, 423-4528

III. DESCRIPTION

A. Background

Structures acquired under the CDBG-NDR buy-out activity which are deemed not suitable for auction and relocation, or which do not sell at auction are required to be demolished and the site restored to pre-construction condition (level, grass, no improvements). This activity is necessary as part of the HUD approved CDBG-NDR Action Plan which sets forth that properties will be acquired through an involuntary acquisition program specified through designs as necessary for various flood mitigation activities funded from other sources including flood walls, levees, and storage areas (swaths of essentially unimproved land). This year's bid process was undertaken on the basis of known structures to be demolished plus projections through the end of 2018 based on prior years' experience to secure as accurate and competitive a set of bids

B. Proposed Project

There were four bids received. The total bid prices ranged from \$2,492,200 to \$1,799,920. It is required under rules that estimates be prepared as to the expected pricing of a bid award. CDM Smith as part of its contract provides qualified estimates projecting the total expected bid cost. For this bid, the estimate was \$1,935,500. A review was undertaken for all the bids as well as what is known as a debarment check which is a requirement under federal law for all contracts to be awarded using federal funds. The debarment check is to assure the potential contract awardee is in good standing with the federal government. As a result of that check, it was determined that Berger Enterprises, LLC is in good standing and is not debarred from federal contracts. Staff review determined that Berger Enterprises, LLC was both low bid and lowest responsible bidder with a price of \$1,799,920 which is \$135,580 less than the required engineering estimate.

IV. IMPACT:

A. Strategic Impact:

Properties will be cleared and restored to natural condition on a timely basis in support of approved and/or funded flood mitigation projects.

B. Service/Delivery Impact:

Depending on requirements and footprints of flood mitigation measures and requirements of FEMA, HUD, and Army Corps of Engineers cleared and restored properties also can provide the opportunity for sustainable resilience measures consistent with greenway use strategies not funded by the CDBG-NDR grant.

C. Fiscal Impact:

As of April 12, 2018, there remains in the CDBG-NDR budget line allocation for demolition (which also includes site clearance and restoration) \$2,303,292 which is more than sufficient to cover the costs of this contract. It should be noted that structures acquired by the State Water Commission match funds will also be assigned demolition costs to the match funds. The contract was bid and awarded on the basis of the combined projected need and is consistent with the agreements with the state on the match. Therefore, the total projected cost reflected in the bid covers all sources of funds.

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

Demolition and site restoration is critical to remain on schedule to keep pace with the flood mitigation construction schedule.

VII. LIST OF ATTACHMENTS

- i. Copy of CDM Smith recommendation
- ii. Copy of CDM Smith Engineering cost projection