



City of Jacksonville Beach

11 North Third Street
Jacksonville Beach, Florida

Council Briefing Notice

City Council

Monday, June 27, 2022

5:30 PM

Via Video Conference

City Manager Mike Staffopoulos will conduct a Council Briefing to update the City Council about ongoing items in the City. The Briefing will include, but not be limited to, the following topics:

- A. Beaches Energy Services Energy Update
- B. Alternative Bidding for Phase 3C Projects 4 & 5 (Downtown Infrastructure Improvements)
- C. Miscellaneous City Manager's Items
- D. Committee Assignment Report
- E. Future Briefing Topics

This Briefing will be conducted using video technology. The City is providing options for public attendance at the Briefing as listed below. The public is not invited to speak or present on any matter or topic at the Briefing.

INSTRUCTIONS FOR VIEWING AND/OR LISTENING

The following options are available to view and/or listen to the City Council Briefing:

1. **Hearing or speech impaired access.** Contact the agency using the Florida Relay Service at 1-800-955-8771 (TDD) or 1-800-955-8770 (voice).
2. **View and listen to a video of the briefing online.** Access the meeting by visiting the [YouTube Channel for the City of Jacksonville Beach](#).

Council Members in attendance may include:

Mayor: Christine Hoffman

Council Members:	Georgette Dumont	Sandy Golding	Dan Janson
	Fernando Meza	Cory Nichols	Chet Stokes

Please note: Council members in attendance at this meeting may vary, according to their schedules.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodations to participate in this meeting should contact the City Clerk's Office at (904) 247-6299, no later than one business day before the meeting or by sending an email to CityClerk@jaxbchfl.net.



City of Jacksonville Beach • 11 North Third Street • Jacksonville Beach FL 32250

CITY COUNCIL BRIEFING TOPIC	
TO:	Michael J. Staffopoulos, City Manager
FROM:	Dennis W. Barron, Jr., Director of Public Works
DATE:	June 27, 2022
SUBJECT:	Alternative Bidding for Phase 3C Projects 4 & 5 (Downtown Infrastructure Improvements)

BACKGROUND

During previous Downtown Infrastructure Project construction, the City Council indicated the desire to explore options to accelerate construction schedules on upcoming projects, thus minimizing impacts on property owners. Projects 4 & 5 of Phase 3C Downtown Infrastructure Improvements (the City's next large construction projects) are in the final design phase. The City's Public Works Department worked with GAI Consultants to identify alternative contract bid concepts for consideration on these projects. Council input is being sought on three alternatives for consideration, as presented in the attached letter from GAI.

The current Projects 4 & 5 encompass the area from 4th Avenue South to 11th Avenue South, between 3rd Street South (A1A) and the beach end zones. The engineering estimate of construction costs is \$16M.

FINANCIAL IMPACT

COUNCIL DIRECTION REQUESTED

Should an alternate bidding award structure be considered, and if so, what is the City Council's preference?

ATTACHMENTS

1. COJB Phase 3C Bidding and Award Summary



Jacksonville Office
12574 Flagler Center Blvd
Suite 202
Jacksonville, Florida 32258

T 904.363.1110
F 904.363.1115

May 19, 2022

Mr. Dennis Barron, MBA
Director of Public Works
City of Jacksonville Beach

City of Jacksonville Beach – Phase 3C Projects 4 and 5 Downtown Infrastructure Improvements – Alternative Bidding

Dear Mr. Barron

As part of our meeting last week to discuss the 60% Design Plans and associated City comments we briefly discussed alternative bidding methods to let the proposed improvements for construction, which is currently tentatively scheduled for November 2022. Currently, there are two projects, which are both located between SR A1A and the Beach Street Ends: Phase 3C Project 4 from 5th Ave. S. to 7th Ave. S. and Phase 3C Project 5 from 7th Ave. S. to 10th Ave. S. These are being discussed as possibly being advertised together as one construction project and awarded to a single contractor.

Based on recent discussions there is interest from multiple City Staff to have the next construction project expedited and completed more quickly. The City would still like the project to be completed in phases to limit the amount of public right of way which is impacted at one time but in the most efficient manner possible.

The required construction contract duration in the project specifications notes time restrictions and allows time extensions for weather days, unforeseen issues, and approved supplemental contract work when affecting the schedule. Most recently, many of the government's entities including the FDOT are seeing contract delays, caused by the COVID epidemic. Please be aware that based on the current economic climate which has several material shortages related to the Heavy Civil Construction Industry and lack of adequate labor, construction durations are increasingly more difficult to estimate and project schedules more difficult to meet.

Three items which can be used to increase the likelihood of a construction contract finishing in an accelerated manner are:

1. Provide the contractor a financial incentive to complete the work ahead of schedule. This could be a lump sum bonus for finishing by a certain date or a calendar day bonus with a certain amount stipulated to be awarded to the contractor per day the project is finished ahead of schedule. In order to simplify the total construction duration allotted to the contractor there could be a statement added to the project specifications stating the maximum construction duration listed for this project is inclusive of weather days for the construction of this project. No additional weather or delay days will be granted for purposes of computing overall allowable construction duration to receive any incentive payments. This would protect the City from disagreements about what the total elapsed construction duration is and which days are considered an approved weather day.
2. Contracting with an experienced CEI consultant will increase the likelihood a contractor is able to stay organized and be held accountable for their progress on a project. The CEI will track the contractor's schedule CPM, hold regular progress meetings, complete meeting minutes, ensure utility coordination is completed in advance of construction

progress and hold the contractor accountable on missing key milestones. Also, the City PM and CEI can help the contractor solve issues, while making sure they have a good two week look ahead schedule.

3. The enforcement of the required construction duration will be a major focus for both City and CEI staff over the course of the next phases of downtown improvements. Any required schedule constraints included in a project specifications package or imposed by the contractor on themselves can ultimately only be enforced by the City in the form of assessing liquidated damages upon the contractor for failure to complete the project in the specified timeframe. Careful tracking of delays, claims, weather days, meeting minutes, notifications of non-compliance with project scheduling and other project issues by the Construction Engineering and Inspection (CEI) staff assigned to the project can be provided to the City as additional documentation when pursuing liquidated damages from a contractor due to schedule delays.

As another resource we would also encourage you to speak to:

Sam Lansdale
 Jacksonville Construction
 Florida Department of Transportation
 Office: 904-360-5557
 Cell: 904-371-0327
sam.lansdale@dot.state.fl.us

He was the Construction PM on a couple of recent Emergency Projects for FDOT where a low bid project award with incentive (Option #1 below) was used and was the FDOT Construction PM on an A+B Bidding project award (Option #2 below).

As an alternative to a standard low bid award method, there are three viable bidding options we suggest be reviewed and discussed amongst the City of Jacksonville Beach Public Works, City Management and City Council for the next construction project.

Option #1: Low Bid Project Award with an incentive for early completion

This method has been used by FDOT on several design build projects GAI has been involved with, but we have not been involved in any design bid build project awards using this method.

FDOT District 2 has used this bidding and award methodology for an Emergency Bridge Beam Replacement and Repair for I-95 over Crestwood Street Contract # E20F3.

This would be similar to past project advertisements only with an added incentive for early completion. The required construction duration would be included in the project specifications the same as in past projects. For example, based on an 800-day estimated construction duration specified in the project specifications a reasonable incentive would be \$5,000 / day for a total incentive not to exceed \$500,000.00. This would equate to a maximum incentive of 3.125% of the total estimated construction cost of \$16 Million.

Advantages:

1. This would allow the City to award the project to the lowest bidder and the only additional cost above the low bid project award method would be the possible incentive payment.

Disadvantages:

1. The contractor may low bid the project and not actively pursue the incentive. This will still require the City to pursue the contractor by assessing liquidated damages.
2. The City is still dictating construction duration and the number may not be reasonable due to the current economic climate or lack of understanding of contractor means and methods.

Option #2: A+B Bidding (Cost Plus Time) Project Award with an incentive for early completion

Further information on this can be found here on the FDOT website:

[A+B Bidding \(fdot.gov\)](http://fdot.gov)

This method awards the project to the contractor with the lowest value of the A+B total. This was used as the award method by FDOT on the recently awarded FPID # 428796-3-52-01 SR 116 Wonderwood Milling and Resurfacing Project from Jane Street to Sand Castle Lane designed by GAI Consultants.

This project was estimated to have a 900-day construction duration by FDOT and GAI and an estimated construction cost of \$22,403,936.00.

The bids came in as follows:

Contractor #1 (was Awarded the Contract):

A - Bid Price = \$29,143,243.00

B - Schedule = 730 days x \$21,900.00 / day = \$15,987,000.00

A+B = \$45,130,243.00

Contractor #2:

A - Bid Price = \$27,608,691.78

B - Schedule = 850 days x \$21,900.00 = \$18,615,000.00

A+B = \$46,223,691.78

Contractor #3:

A - Bid Price = \$28,633,400.58

B - Schedule = 830 days x \$21,900.00 = \$18,177,000.00

A+B = \$46,810,400.58

Contractor #4:

A - Bid Price = \$32,616,617.44

B - Schedule = 900 days x \$21,900.00 = \$19,710,000.00

A+B = \$52,326,617.44

In this example Contractor #1 was awarded the contract for total compensation of \$29,143,243.00 even though their bid price was \$1,534,551.30 more than Contractor #2. Contractor #1 had 120 days less construction duration than Contractor #2. The value of each daily road user cost was \$21,900.00 per day. In this outcome the FDOT will end up paying more money to get the project completed more quickly to reduce the impact on the public.

For the COJB upcoming Phase 3C Projects 4 and 5 a value of \$5,000.00 per day could be used. This will allow some emphasis of the award of the project to be placed on the construction duration but still primarily weight the selection towards the favor of the lowest bidder.

An example of A+B for the COJB Phase 3C Projects 4 and 5 is shown below:

Contractor #1:

A - Bid Price = \$16.8 Million

B - Schedule = 820 days x \$5,000.00 / day = \$4.1 Million

A+B = \$20.9 Million

Contractor #2:

A - Bid Price = \$16.3 Million

B - Schedule = 840 days x \$5,000.00 = \$4.2 Million

A+B = \$20.5 Million

Contractor #3:

A - Bid Price = \$16 Million

B - Schedule = 920 days x \$5,000.00 = \$4.6 Million

A+B = \$20.6 Million

In the above example the contract would be awarded to Contractor #2 for total compensation of \$16.3 Million. In this scenario the City would be awarding the contract to neither the lowest bidder nor the contractor with the shortest construction duration.

An incentive for the contractor to complete the work faster than their specified number of days in Part B could be offered to the contractor in this scenario at \$5,000 / day for a total incentive not to exceed \$500,000.00.

Advantages:

1. This will allow the City to set the value of a contract day in a dollar value to select the amount of emphasis they would like on the actual construction duration in comparison to the construction cost when awarding the project to a contractor.

Disadvantages:

1. based on the results of the bid the City may end up paying more to complete the project more quickly.
2. There are also no guarantees the process will select either the lowest bid or the lowest construction duration. This is shown in the previous example for this project.
3. The construction duration specified by the contractor may be well over the estimated construction duration specified by the City and Engineer.
4. The contractor selected could be the lowest bidder and not actively pursue the incentive. This will still require the City to pursue the contractor by assessing liquidated damages.

Option #3: Phased Project Award with an incentive for early completion of each phase

Our recent discussions have noted bidding Phase 3C Projects 4 and 5 as one project and award it to one contractor. This area is twice as large as more recent phases of construction in this area Beach Blvd to 4th Ave. S. and 11th to 13th Ave. S.

This option would bid both Phase 3C Projects 4 and 5 at the same time with separate plan sets and bid forms. The required construction duration would be set by the City with GAI input for each Project 4 and Project 5 separately. The contract would be awarded to the lowest bidder for the combined bid of Phase 3C Projects 4 and 5. The contractor would only be given an NTP for Phase 3C Project 4 with an estimated construction duration of 450 days. If the contractor completes the work within the 450 days specified, they will be given the NTP on Phase 3C

Project 5 if they still desire to complete this work. The construction duration of 450 days would also have been specified for this project in the original project specifications package. The total construction value awarded to the contractor for Phase 3C Project 5 would be their original bid adjusted for inflation based on the Consumer Price Index (CPI) and the amount of time which has elapsed from their bid to the expected NTP date. This could be a major challenge with this option given material price volatility may cause the CPI adjustment to be too little and the contractor back out from agreeing to the next phase.

The same incentive could be awarded here as well if the contractor completes the work for either Project 4 or 5 faster than the 450-day construction duration they receive \$5,000 / day for finishing ahead of schedule for a total incentive not to exceed \$500,000.00.

Advantages:

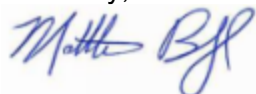
1. This method will allow the City to give an NTP for a smaller project area but still complete the two projects more quickly than bidding the two projects out separately since the advertising, bidding and award, recommendation of award, procurement of City funds and contractor mobilization would be avoided for the second project, Phase 3C Project 5.

Disadvantages:

1. The total construction duration will likely be longer than Options #1 and #2 discussed previously.
2. The City is still dictating construction duration and the number may not be reasonable due to the current economic climate or lack of understanding of contractor means and methods.
3. The contractor selected could be the lowest bidder and not actively pursue the incentive and still take longer than specified maximum construction duration. This will still require the City to pursue the contractor by assessing liquidated damages.
4. The total cost of this method is likely to be higher than in Option #1 or #2 since it is still two separate projects.

Please let us know if you have any comments or questions. Once you have reviewed, we can meet to discuss these options further. As mentioned above, this information is included for your review and will require further discussions and vetting prior to selecting a bidding method.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew Bolyard".

Matthew Bolyard, PE
Project Manager
GAI Consultants, Inc.