



City of Muscatine



MUSCATINE CITY COUNCIL

Agenda Item Summary – Regular Meeting

Date November 4, 2021

STAFF

Pat Lynch, City Engineer

SUBJECT

Resolution Approving the Contract and Bond for the 2021/2022 Full-Depth Patching Project with Heuer Construction, Inc. for the amount of \$440,800.00.

EXECUTIVE SUMMARY

The City of Muscatine Public Works Department has compiled a list of streets to be full-depth concrete patched during Fiscal Year 2021/2022. Bids were received on October 5, 2021 at 10:00 am and have been tabulated (bid tab attached). Heuer Construction, Inc was the apparent low responsive, responsible bidder with a bid of \$440,800.00. City Council awarded the contract to Heuer Construction, Inc. at the October 21, 2021 Council Meeting.

STAFF RECOMMENDATION

Staff recommends Council approve a resolution to approve the contract with Heuer Construction, Inc. for the amount of \$440,800.00.

BACKGROUND/DISCUSSION

The City of Muscatine Roadway Maintenance Division has compiled a list of streets that qualify for full-depth patching based on a matrix previously developed. The bids were received on October 5, 2021 at 10:00 am and have been tabulated. The streets included in this project are:

- Isett Avenue: Bidwell Road to Heinz Pedestrian Entrance
- Houser Street: Fulliam Avenue to Dawson Street
- Stewart Road: Oregon Avenue to Wallace Street
- Robin Road: Sunrise Circle east to end of Concrete
- Frontage Road: Cleveland Street to Ford Avenue
- Devitt Avenue: Ridgewood Avenue to Pinefield Street
- Cedar Street: 1608 Cedar Street

CITY FINANCIAL IMPACT

The funds for this project come from Road Use Tax and Local Option Sales Tax. This project was anticipated to cost approximately \$400,000. Quantities will be adjusted to keep the project within the budget.

ATTACHMENTS

- Contract
- Bond

RESOLUTION 2021-0401

**APPROVING CONTRACT AND BOND
2021/2022 PCC FULL DEPTH PATCH CONSTRUCTION**

WHEREAS, this Council has awarded the contract for the PCC Full Depth Patch Construction Project to Heuer Construction, dated the 4th day of November 2021 in the amount of \$440,800.00; and

WHEREAS, this Council has authorized and directed the Mayor and City Clerk to enter into a written contract for this project with said contractor, subject to final approval by this Council; and

WHEREAS, the contract and bond has been examined by this Council;

NOW, THEREFORE, IT IS RESOLVED that:

1. The above contract between the City of Muscatine, Iowa, and Heuer Construction Co., dated the 4th day of November 2021 in the amount of \$440,800.00, is approved.
2. The performance bond accompanying such contract, wherein Heuer Construction appears as principal and United Fire and Casualty appears as surety, is approved.

The original executed contract and performance bond shall be placed on file in the office of the City Clerk.

PASSED, APPROVED AND ADOPTED THIS 4th DAY OF NOVEMBER, 2021.

Diana L. Broderson
Diana L. Broderson (Nov 8, 2021 13:02 CST)

Diana Broderson, Mayor

ATTEST:

Carol Webb
Carol Webb (Nov 8, 2021 13:03 CST)

Carol Webb, City Administrator



CITY OF MUSCATINE
2021/2022 PCC FULL DEPTH PATCH CONSTRUCTION PROJECT
CONTRACT

THIS AGREEMENT, made and entered into this 4th day of November, 2021, by and between the City of Muscatine, Iowa, party of the first part, hereinafter referred to as the "City" and Heuer Construction, party of the second part, hereinafter referred to as the "Contractor".

WITNESSETH

That the Contractor and the City for the consideration stated herein mutually agree as follows:

ARTICLE 1: Statement of work. The Contractor shall furnish all supervision, technical, personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services and perform all work required for the construction of the 2021/2022 PCC Full Depth Patch Construction Project, Muscatine, Iowa, all in strict accordance with the Contract Documents prepared by the City of Muscatine, Department of Public Works.

ARTICLE 2. The City will pay the Contractor for the performance of the contract, from funds legally available for that purpose. Payment will be made on the basis of an estimate equal to ninety-five (95) percent of the contract price, including materials, subject to approval of the City. The balance of the five (5) percent due to the Contractor will be made no earlier than thirty (30) days from the final acceptance of said work by the City.

The Contractor shall provide surety bond in the amount of 100% of the contract and shall guarantee the maintenance of the improvement for a period of two (2) years after its completion and acceptance by the City.

Completion Dates: All work shall be completed in accordance with the special provisions contained herein.

The contract amount is \$440,800.00.

ARTICLE 3. Contract: The executed contract documents shall consist of the following:

- | | |
|---------------------------|---------------------------------------|
| a. This Agreement | f. Signed Copy of Proposal |
| b. Addenda Numbers _____ | g. Special Provision |
| c. Contract Documents | h. Detailed Specifications Referenced |
| d. Notice to Bidders | i. Standard Specifications Referenced |
| e. Instruction to Bidders | j. General Conditions |

THIS AGREEMENT, together with other documents enumerated in this ARTICLE 3, with said other documents are as fully a part of the contract as if hereto attached or herein repeated, forms the contract between the parties hereto. In the event that any provision in any component part of this contract conflicts with any provision of any other component part, the provision of the component part first enumerated in this ARTICLE 3 shall govern, except as otherwise specifically stated.

IN WITNESS WHEREOF, the parties thereto have caused this AGREEMENT to be executed in triplicate original copies on the date and year first above written.

CITY OF MUSCATINE, IOWA

HEUER CONSTRUCTION (contractor)

Diana L. Broderson

Diana L. Broderson (Nov 8, 2021 13:02 CST)

By: Mayor Diana Broderson



BY

President

TITLE

ATTEST: 

By: Carol Webb, City Administrator

ATTEST: 

office manager

TITLE



PERFORMANCE, PAYMENT, AND MAINTENANCE BOND

KNOW ALL BY THESE PRESENTS:

That we, Heuer Construction, as Principal (hereinafter the "Contractor" or "Principal" and United Fire & Casualty Company, as Surety are held and firmly bound unto the City of Muscatine, as Obligee (hereinafter referred to as "the Jurisdiction"), and to all persons who may be injured by any breach of any of the conditions of this Bond in the penal sum of Four Hundred Forty Thousand Eight Hundred Eighty Dollars (\$440,800.00), lawful money of the United States, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, legal representatives and assigns, jointly or severally, firmly by these presents.

The conditions of the above obligations are such that whereas said Contractor entered into a contract with the Jurisdiction, bearing date the 4th day of November, 2021, hereinafter the "Contract" wherein said Contractor undertakes and agrees to construct the following described improvements:

2021/2022 PCC FULL DEPTH PATCH CONSTRUCTION PROJECT

and to faithfully perform all the terms and requirements of said Contract within the time therein specified, in a good and workmanlike manner, and in accordance with the Contract Documents. Provided, however, that one year after the date of acceptance as complete of the work under the above referenced Contract, the maintenance portion of this Bond shall continue in force but the penal sum for maintenance shall be reduced to the sum of Four Hundred Forty Thousand Eight Hundred Dollars (\$440,800.00), which is the cost associated with those items shown on the proposal and in the Contract that require a maintenance bond period in excess of one year.

It is expressly understood and agreed by the Contractor and Surety in this bond that the following provisions are a part of this Bond and are binding upon said Contractor and Surety, to-wit:

1. **PERFORMANCE:** The Contractor shall well and faithfully observe, perform, fulfill, and abide by each and every covenant, condition, and part of said Contract and Contract Documents, by reference made a part hereof, for the above referenced improvements, and shall indemnify and save harmless the Jurisdiction from all outlay and expense incurred by the Jurisdiction by reason of the Contractor's default of failure to perform as required. The Contractor shall also be responsible for the default or failure to perform as required under the Contract and Contract Documents by all its subcontractors, suppliers, agents, or employees furnishing materials or providing labor in the performance of the Contract.
2. **PAYMENT:** The Contractor and the Surety on this Bond hereby agreed to pay all just claims submitted by persons, firms, subcontractors, and corporations furnishing materials for or performing labor in the performance of the Contract on account of which this Bond is given, including but not limited to claims for all amounts due for labor, materials, lubricants, oil, gasoline, repairs on machinery, equipment, and tools, consumed or used by the Contractor or any subcontractor, wherein the same are not satisfied out of the portion of the contract price the Jurisdiction is required to retain until completion of the improvement, but the Contractor and Surety shall not be liable to said persons, firms, or corporations unless the claims of said claimants against said portion of the contract price shall have been established as provided by law. The Contractor and Surety hereby bind themselves to the obligations and conditions set forth in Chapter 573 of the Iowa Code, which by this reference is made a part hereof as though fully set out herein.
3. **MAINTENANCE:** The Contractor and the Surety on this Bond hereby agree, at their own expense:
 - A. To remedy any and all defects that may develop in or result from work to be performed under the Contract within the period of two (2) years from the date of acceptance of the

work under the Contract, by reason of defects in workmanship or materials used in construction of said work;

- B. To keep all work in continuous good repair; and
- C. To pay the Jurisdiction's reasonable costs of monitoring and inspection to assure that any defects are remedied, and to repay the Jurisdiction all outlay and expense incurred as a result of Contractor's and Surety's failure to remedy any defect as required by this section.

4. GENERAL: Every Surety on this Bond shall be deemed and held bound, any contract to the contrary notwithstanding, to the following provisions:

- A. To consent without notice to any extension of time to the Contractor in which to perform the Contract;
- B. To consent without notice to any change in the Contract or Contract Documents, which thereby increases the total contract price and the penal sum of this bond, provided that all such changes do not, in the aggregate, involve an increase of more than 20% of the total contract price, and that this bond shall then be released as to such excess increase; and
- C. To consent without notice that this Bond shall remain in full force and effect until the Contract is completed, whether completed within the specified contract period, within an extension thereof, or within a period of time after the contract period has elapsed and the liquidated damage penalty is being charged against the Contractor.
- D. That no provision of this Bond or of any other contract shall be valid that limits to less than five years after the acceptance of the work under the Contract the right to sue on this Bond.
- E. That as used herein, the phrase "all outlay and expense" is not to be limited in any way, but shall include the actual and reasonable costs and expenses incurred by the Jurisdiction including interest, benefits, and overhead where applicable. Accordingly, "all outlay and expense" would include but not be limited to all contract or employee expense, all equipment usage or rental, materials, testing, outside experts, attorney's fees (including overhead expenses of the Jurisdiction's staff attorneys), and all costs and expenses of litigation as they are incurred by the Jurisdiction. It is intended the Contractor and Surety will defend and indemnify the Jurisdiction on all claims made against the Jurisdiction on account of Contractor's failure to perform as required in the Contract and Contract Documents, that all agreements and promises set forth in the Contract and Contract Documents, in approved change orders, and in this Bond will be fulfilled, and that the Jurisdiction will be fully indemnified so that it will be put into the position it would have been in had the Contract been performed in the first instance as required.

In the event the Jurisdiction incurs any "outlay and expense" in defending itself against any claim as to which the Contractor or Surety should have provided the defense, or in the enforcement of the promises given by the Contractor in the Contract, Contract Documents, or approved change orders, or in the enforcement of the promises given by the Contractor and Surety in this Bond, the Contractor and Surety agree that they will make the Jurisdiction whole for all such outlay and expense, provided that the Surety's obligation under this bond shall not exceed 125% of the penal sum of this bond.

In the event that any actions or proceedings are initiated regarding this Bond, the parties agree that the venue thereof shall be Muscatine County, State of Iowa. If legal action is required by the Jurisdiction to enforce the provisions of this Bond or to collect the monetary obligation incurring to the benefit of the Jurisdiction, the Contractor and the Surety agree, jointly, and severally, to pay the Jurisdiction all outlay and expense incurred therefor by the Jurisdiction. All rights, powers, and remedies of the Jurisdiction hereunder shall be cumulative and not alternative and shall be in addition to all rights, powers, and remedies given to the Jurisdiction, by law. The Jurisdiction may proceed against surety for any amount guaranteed hereunder whether action is brought against the Contractor or whether Contractor is joined in any such action(s) or not.

NOW THEREFORE, the condition of this obligation is such that if said Principal shall faithfully perform all the promises of the Principal, as set forth and provided in the Contract, in the Contract Documents, and in this Bond, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

When a work, term, or phrase is used in this Bond, it shall be interpreted or construed first as defined in this Bond, the Contract, or the Contract Documents; second, if not defined in the Bond, Contract, or Contract Documents, it shall be interpreted or construed as defined in applicable provisions of the Iowa Code; third, if not defined in the Iowa Code, it shall be interpreted or construed according to its generally accepted meaning in the construction industry; and fourth, if it has no generally accepted meaning in the construction industry, it shall be interpreted or construed according to its common or customary usage.

Failure to specify or particularize shall not exclude terms or provisions not mentioned and shall not limit liability hereunder. The Contract and Contract Documents are hereby made a part of this Bond.


Project No. _____

(CON'T – PERFORMANCE, PAYMENT, AND MAINTENANCE BOND)

PRINCIPAL:

Heuer Construction, Inc.
 Contractor
 By  Signature
 President
 Title

SURETY:

United Fire & Casualty Company
 Surety Company
 By  Signature Attorney-in-Fact Officer

Stacy Venn, Attorney-in-Fact
 Printed Name of Attorney-in-Fact Officer

FORM APPROVED BY:

 Attorney for Jurisdiction

Holmes, Murphy and Associates, LLC
 Company Name

2727 Grand Prairie Parkway
 Company Address

Waukee, IA 50263
 City, State, Zip Code

(515) 223-6800
 Company Telephone Number

NOTE:

1. All signatures on this performance, payment, and maintenance bond must be original signatures in ink; copies, facsimile, or electronic signatures will not be accepted.
2. This bond must be sealed with the Surety's raised, embossing seal.
3. The Certificate or Power of Attorney accompanying this bond must be valid on its face and sealed with the Surety's raised, embossing seal.
4. The name and signature of the Surety's Attorney-in-Fact/Officer entered on this bond must be exactly as listed on the Certificate or Power of Attorney accompanying this bond.



UNITED FIRE & CASUALTY COMPANY, CEDAR RAPIDS, IA
 UNITED FIRE & INDEMNITY COMPANY, WEBSTER, TX
 FINANCIAL PACIFIC INSURANCE COMPANY, ROCKLIN, CA
 CERTIFIED COPY OF POWER OF ATTORNEY
 (original on file at Home Office of Company – See Certification)

Inquiries: Surety Department
 118 Second Ave SE
 Cedar Rapids, IA 52401

KNOW ALL PERSONS BY THESE PRESENTS, That United Fire & Casualty Company, a corporation duly organized and existing under the laws of the State of Iowa; United Fire & Indemnity Company, a corporation duly organized and existing under the laws of the State of Texas; and Financial Pacific Insurance Company, a corporation duly organized and existing under the laws of the State of California (herein collectively called the Companies), and having their corporate headquarters in Cedar Rapids, State of Iowa, does make, constitute and appoint

CRAIG E. HANSEN, JAY D. FREIERMUTH, BRIAN M. DEIMERLY, CINDY BENNETT, ANNE CROWNER, TIM MCCULLOH, STACY VENN, SHIRLEY BARTENHAGEN, DIONE R. YOUNG, KEVIN J. KNUTSON, MICHELLE GRUIS, KATHLEEN BREWER, SETH D. ROOKER, STACIE CHRISTENSEN, SHELBY GREINER, EACH INDIVIDUALLY

their true and lawful Attorney(s)-in-Fact with power and authority hereby conferred to sign, seal and execute in its behalf all lawful bonds, undertakings and other obligatory instruments of similar nature provided that no single obligation shall exceed \$100,000,000.00 and to bind the Companies thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Companies and all of the acts of said Attorney, pursuant to the authority hereby given and hereby ratified and confirmed.

The Authority hereby granted is continuous and shall remain in full force and effect until revoked by United Fire & Casualty Company, United Fire & Indemnity Company, and Financial Pacific Insurance Company.

This Power of Attorney is made and executed pursuant to and by authority of the following bylaw duly adopted on May 15, 2013, by the Boards of Directors of United Fire & Casualty Company, United Fire & Indemnity Company, and Financial Pacific Insurance Company.

“Article VI – Surety Bonds and Undertakings”

Section 2, Appointment of Attorney-in-Fact. “The President or any Vice President, or any other officer of the Companies may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Companies in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. The signature of any officer authorized hereby, and the Corporate seal, may be affixed by facsimile to any power of attorney or special power of attorney or certification of either authorized hereby; such signature and seal, when so used, being adopted by the Companies as the original signature of such officer and the original seal of the Companies, to be valid and binding upon the Companies with the same force and effect as though manually affixed. Such attorneys-in-fact, subject to the limitations set of forth in their respective certificates of authority shall have full power to bind the Companies by their signature and execution of any such instruments and to attach the seal of the Companies thereto. The President or any Vice President, the Board of Directors or any other officer of the Companies may at any time revoke all power and authority previously given to any attorney-in-fact.

IN WITNESS WHEREOF, the COMPANIES have each caused these presents to be signed by its vice president and its corporate seal to be hereto affixed this 15th day of January, 2014



UNITED FIRE & CASUALTY COMPANY
 UNITED FIRE & INDEMNITY COMPANY
 FINANCIAL PACIFIC INSURANCE COMPANY

By: *Dennis J. Richmann*
 Vice President

State of Iowa, County of Linn, ss:

On 15th day of January, 2014, before me personally came Dennis J. Richmann to me known, who being by me duly sworn, did depose and say; that he resides in Cedar Rapids, State of Iowa; that he is a Vice President of United Fire & Casualty Company, a Vice President of United Fire & Indemnity Company, and a Vice President of Financial Pacific Insurance Company the corporations described in and which executed the above instrument; that he knows the seal of said corporations; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



Patti Waddell
 Notary Public
 My commission expires: 10/26/2022

I, Mary A. Bertsch, Assistant Secretary of United Fire & Casualty Company and Assistant Secretary of United Fire & Indemnity Company, and Assistant Secretary of Financial Pacific Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the bylaws and resolutions of said Corporations as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID CORPORATIONS, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

In testimony whereof I have hereunto subscribed my name and affixed the corporate seal of the said Corporations this 4th day of November, 2021.



By: *Mary A. Bertsch*
 Assistant Secretary,
 UF&C & UF&I & FPIC