FROM THE OFFICE OF THE CITY MANAGER

August 27, 2012

To: Mayor and City Council Members

From: Michael W. Culpepper, Acting City Manger

Subject: City Council Member Questions and Responses

I have discussed questions advanced by Mayor and Council with Staff, and responses are attached. Thank you for asking questions in advance of the meeting.

Question #1
From: Dave Henderson
Subject: J4B

I assume this is inventory for the DPW?

Response:
From: Timothy L Richnak
Subject: RE: J4B

This copper bid is inventory for use in replacement of water services lines in conjunction with water main replacement projects, new service line installations and other water line repairs.

Question #2
From: Janice Daniels
Subject: Question from 08/27/2012 Agenda

J 4 -a Standard Purchasing Resolution Contract 12-4 – Industrial Roads Mill & Overlay has an agreed upon 25 percent additional work provision built in to the contract. This represents an additional $123,000 potential expenditure making the possible ultimate cost of the contract approximately $615,400 which is 20 percent over budget.

Could council see the last three completed projects of this nature and scope showing budgeted costs, actual final costs, low-bid price originally agreed upon, additional percentage over run authorized and contractor used for the projects before making this decision?

Response:
From: William J Huotari
Subject: RE: Question from 08/27/2012 Agenda

Mike, as you are aware, a contingency is included in all of our bid awards. Contingency amounts typically vary between 15% to 25% depending on the scope of work. Just because a contingency amount is approved does not mean that the final contract price will exceed the low bid amount. In most contracts, the contingency amount is not exceeded.

25% contingencies have been recommended for mill and overlay projects due to the unknown conditions that could exist once the surface has been milled (ground off). The reason for these projects is to extend the life of the pavement by removing the deteriorated surface, repairing the underlying material and then resurfacing with between 1.5" to 3" of asphalt pavement. The repair of the underlying material could be as little as cleaning out existing cracks and joints up to removing and replacing entire sections of the old road prior to placing the final wearing surface.

The 25% contingency is requested to allow for administrative approval of changes or extras due to the unpredictability of the pavement condition following the milling operation to avoid having to shut down work while seeking Council approval. The construction season in Michigan is short and most pavement type projects are weather dependent so time is of the essence in completing projects in one construction season. If the 25% were to be exceeded then we would need to request approval from City Council.

In reviewing the last three (3) completed projects that included a 25% contingency, there have been none that exceeded the 25% contingency. A detail of the last three (3) completed contracts is listed below and copies of the bid award memo and final contract status are attached:

Contract 10-2 - Coolidge Highway Pavement Rehabilitation

* Budgeted Amount - $750,000
* Low-bid price (Contract Award) - $621,314.97
* Final Contract Amount - $580,460.07
* Additional percentage over run authorized - 25%
* Contractor - Ajax Paving Industries, Inc.

Contract 11-2 - John Arbor Resurfacing

* Budgeted Amount - $300,000
* Low-bid price (Contract Award) - $207,568.00
* Final Contract Amount - $177,043.01
* Additional percentage over run authorized - 25%
* Contractor - Barrett Paving Materials, Inc.

Contract 11-4 - Northfield Hills Condominiums Pavement Rehabilitation

* Budgeted Amount - $750,000
* Low-bid price (Contract Award) - $564,139.58
* Final Contract Amount - $499,952.84
* Additional percentage over run authorized - 25%
* Contractor - Pro-Line Asphalt Paving Corp.

Question #3
From: Dave Henderson
Subject: FW: Big Beaver Center PUD

This is slated for public hearing and I was given the attachments the other day to ponder. Is it possible to have you forward this to the petitioner for response.

Mr. Krent is a resident on the street and I believe he and former Mayor Jeanne Stein have been trying to rally support for these changes.

I would simply like to have this forwarded in the event it becomes topic of discussion during the public hearing. No one likes being blind sided, and I'd like to hear what both sides have to say about this proposal.

Thanks

Dave

-----Original Message-----
From: Tom Krent
Subject: Big Beaver Center PUD

My main concern about the currently proposed Big Beaver Center project is vehicular and pedestrian safety. Jeanne Stine and I have reviewed what is proposed by the developer, A.F. Jonna, and we are providing a solution shown on the attached drawings. The solution is to move the bank from the west side of the property to the east side.

The report from the traffic engineer, Stephen Dearing, of Orchard, Hiltz & McCliment, Inc. acknowledges the problem that the bank imposes on traffic if the bank is located at the west side of the property. Dearing also states that the downside of having the bank on the east side is that the drive-through windows are not on the driver's side of the vehicle. That was the case on an earlier drawing that I submitted. I then submitted the attached drawings that have the drive-through window on the driver's side.
So, that concern has been eliminated.

Also, by eliminating two of the four access driveways to Alpine from the development, it makes it safer for pedestrians walking north on Alpine.

Additionally, there are no bank drive-through lanes emptying onto a residential street anywhere in Troy. Allowing this will set a very bad precedent for our city.

Please review the attached drawings, text pdf, and pdf report from the traffic engineer. I welcome your comments and questions.
-Tom Krent

Response:
From: Mike Culpepper
Subject: questions reply

The petitioner was notified last week regarding Mr. Krent's lobbying. Along with their legal counsel they will be present for the public hearing. The petitioner is expected to present their case indicating they have followed all the city's requirements through the planning process and have been approved with one dissenting vote. They have indicated that they are not looking to negotiate a change in the approved plan because further changes will not be acceptable to the eventual users (the bank). However, one never can predict the outcome of these things.

c: Mark Miller, Director of Economic and Community Development
Lori Grigg Bluhm, City Attorney
Table

MC/bt\Agenda\2012\08.27.12 – Council Questions and Responses

Attachment 1

CITY COUNCIL ACTION REPORT

June 14, 2010

TO: John Szerlag, City Manager

FROM: Mark F. Miller, Acting Assistant City Manager/Economic Development Services
Steven J. Vandette, City Engineer

SUBJECT: Agenda Item – Standard Purchasing Resolution #1: Award to Low Bidder Contract 10-02 – Coolidge Hwy. Pavement Rehabilitation

Recommendation:

- It is recommended that City Council award a contract for the Coolidge Hwy. Pavement Rehabilitation to Ajax Paving Industries, Inc., 830 Kirts Blvd., Suite 100, Troy, MI 48084 for their low total bid amount of $621,314.97. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 25% of the original project cost due to unknown joint conditions exposed after the milling operation and prior to placement of the asphalt overlay.

Background:

- Bids were received and publicly read on June 9, 2010 The low bid of $621,314.97 as submitted by Ajax Paving Industries, Inc., can be seen in the attached tabulation of bids.
- The Engineer's estimate at the time of bidding was $650,431.00. The low bid is therefore $29,098.03 or 4.47% below the Engineer's estimate.
- Work will include milling the asphalt surface, base repairs, curb & gutter repairs, new sidewalk ramps and asphalt overlay. This work is scheduled to start in July and be complete by September 2010.
- A portion of the work is located in Birmingham. The cost of this work is $16,488.00 which the City Engineer for the City of Birmingham as indicated is acceptable. Birmingham will be invoiced once the work is completed.

Financial Considerations:

- Funds for this work are included in the 2010/11 Major Road Fund, account number 401.447.479.7989.101015. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations:

- Work was competitively bid and publicly opened with three (3) bidders responding.
- Award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

Policy Considerations:

- Troy adds valve to properties through maintenance or upgrades of the infrastructure and quality of life services.

Prepared by: G. Scott Finlay, PE
G:\Contracts\Contracts - 2010\10-2 - Coolidge Road Pavement Rehabilitation\Corespondence\Bid Award.doc

Attachment 1

Contract Status

Resolution #2010-06-142-I-4c

12/29/2011 1:19 PM

FieldManager 4.7a

Contract: .10-02, Coolidge Hwy Pavement Rehabilitation

Contract ID: .10-02 **Spec Year:** 03

Contract Description: Coolidge Hwy Pavement Rehabilitation

Awarded Contract Amount: $621,314.97
Current Contract Amount: $580,460.06
Amount Paid To Date (FM): $580,460.07
Amount Paid To Date (CAS): $0.00
Total Unpaid Placed Dollar Amt: $0.00
% Complete (awrd): 93.42%
% Complete (curr): 100.00%

Net Change Amount (Auth): $-40,854.93
Net Change Amount (Pend): $0.00
Total Net Change Amount: $-40,854.93
Net Change Pct (Auth): -6.58%
Net Change Pct (Pend): 0.00%
Total Net Change Pct: -6.58%
Original Item Change Amount: $-73,086.93
Overrun Pct: -11.76%
Extra Pct: 5.19%

Location: Maple to Golfview
Route:

Project Engineer: G. Scott Finlay, P.E., Project Engineer
Resident Engineer: Steven J. Vandette, P.E. - City Engineer
Managing Office Manager: Joesph G. Lietaert
Managing Office: Engineering Field Office
Managing Office Comments:
Prime Contractor: Ajax Paving Industries, Inc.
Prime Contractor Vendor Id: 00588
Contractor Address:

City: **State:** **Zip Code:**

Notice To Proceed Date: 6/22/2010
Construction Started Date: 7/15/2010
Closed To Traffic Date: 7/15/2010
Open To Traffic Date: 9/15/2010
All Contract Work Completed: 9/18/2010
Traffic Comments:

Work Type:
Create Electronic Files: No
Standalone Contract: No
Contract Closed: Yes
View IDR's for 999 days

Federal Number:
District: 07870

Project	Status	Control Section
10.101.5	XMPT	

Contract Status

Resolution #2010-06-142-I-4c

12/29/2011 1:19 PM

FieldManager 4.7a

Item Types

Type	Authorized Amt	% of Contract (auth)	Pending Amt	% of Contract (pend)	Total Auth/Pend Amount	% of Contract (auth+pend)
Extra	32,232.00	5.55%	0.00	0.00%	32,232.00	5.55%
Modified Original	-10,187.50	-1.76%	0.00	0.00%	-10,187.50	-1.76%
Original	558,415.55	96.20%	0.00	0.00%	558,415.55	96.20%
Totals	$580,460.05	100.00%	$0.00	0.00%	$580,460.05	100.00%

Site Number	Site Type	Original Completion	Current Completion	Days Charged to Date
00	Completion Date	9/18/2010	9/18/2010	88

Detailed Description: Coolidge Hwy Pavement Rehabilitation

Attachment 1

CITY COUNCIL AGENDA ITEM

Date: April 11, 2011

To: John Szerlag, City Manager

From: Mark F. Miller, Acting Assistant City Manager/Economic Development Services
Steven J. Vandette, City Engineer

Subject: Agenda Item – Standard Purchasing Resolution #1: Award to Low Bidder
Contract 11-2 – John Arbor Sub Resurfacing

Background

The water mains in the John Arbor subdivision were replaced in 2010. The existing asphalt roads: Harned, Jarman, Burdic, Chancery, Stirling, Gulliver, Alfred, Edith and Ravenna will receive base repairs, mill and overlay. A pavement repair and resurfacing project is typically scheduled the following construction season to repair the existing roads due to damage caused by the water main construction. The work is anticipated to start in May and be complete by mid-June.

Bids were received and publicly read on April 6, 2011. The low bid of $207,568.00 was submitted by Barrett Paving Materials Inc., as can be seen in the attached bid tabulation summary. The engineer's estimate at the time of bidding was $331,720.00. The low bid is therefore $124,152.00 or 59.8% below the engineer's estimate.

Recommendation

It is recommended that City Council award a contract for the John Arbor Sub Resurfacing project to Barrett Paving Materials Inc., 5800 Cherry Hill Rd., Ypsilanti, MI 48198 for their low total bid amount of $207,568.00.

In addition, we are requesting authorization to approve additional work, if needed, not to exceed 25% of the original project cost due to unknown conditions exposed after the milling operation and prior to placement of the asphalt overlay.

Fund Availability

Funds for this work are included in the 2009/10 Water Fund. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations

Work was competitively bid and publicly opened with six (6) bidders responding. The award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

G:\Contracts\Contracts - 2011\11-2 - John Arbor Resurfacing\Correspondence\Bid Award.docx

Attachment 1

City of Troy

Contract Status

Council Resolution # 2011-04-085-J-4g

12/29/2011 11:48 AM

FieldManager 4.7a

Contract: .11-2, John Arbor Sub Resurfacing

Contract ID: .11-2
Spec Year: 03
Contract Description: John Arbor Sub Resurfacing
Awarded Contract Amount: $207,568.00
Current Contract Amount: $177,043.01
Amount Paid To Date (FM): $177,043.01
Amount Paid To Date (CAS): $0.00
Total Unpaid Placed Dollar Amt: $0.00
% Complete (awrd): 85.29%
% Complete (curr): 100.00%

Net Change Amount (Auth): $-30,524.99
Net Change Amount (Pend): $0.00
Total Net Change Amount: $-30,524.99
Net Change Pct (Auth): -14.71%
Net Change Pct (Pend): 0.00%
Total Net Change Pct: -14.71%
Original Item Change Amount: $-30,524.99
Overrun Pct: -14.71%
Extra Pct: 0.00%

Location: Section 1
Route:

Project Engineer: G. Scott Finlay, P.E.
Resident Engineer: Steven J. Vandette, P.E., City Engineer
Managing Office Manager: Joesph G. Lietaert, Inspector Supervisor Eng.
Managing Office: City of Troy
Managing Office Comments:
Prime Contractor: Barrett Paving Materials, Inc.
Prime Contractor Vendor Id: 01411
Contractor Address:

City: **State:** **Zip Code:**

Notice To Proceed Date: 5/10/2011
Construction Started Date: 6/1/2011
Closed To Traffic Date: 6/4/2011
Open To Traffic Date: 6/15/2011
All Contract Work Completed: 7/7/2011
Traffic Comments:

Work Type:
Create Electronic Files: No
Standalone Contract: No
Contract Closed: Yes
View IDR's for 999 days

Federal Number:
District: 07870

Project	Status	Control Section
09.504.5 bit	XMPT	

Contract Status

12/29/2011 11:48 AM

Council Resolution # 2011-04-085-J-4g

FieldManager 4.7a

Item Types

Type	Authorized Amt	% of Contract (auth)	Pending Amt	% of Contract (pend)	Total Auth/Pend Amount	% of Contract (auth+pend)
Original	177,043.01	100.00%	0.00	0.00%	177,043.01	100.00%
Totals	$177,043.01	100.00%	$0.00	0.00%	$177,043.01	100.00%

Site Number	Site Type	Original Completion	Current Completion	Days Charged to Date
00	Completion Date	7/3/2011	7/3/2011	36

Detailed Description: John Arbor Sub Resurfacing

Attachment 1

CITY COUNCIL AGENDA ITEM

Date: June 8, 2011

To: John Szerlag, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

Subject: Agenda Item – Standard Purchasing Resolution #1: Award to Low Bidder
Contract 11-4 – Northfield Hills Pavement Rehabilitation

Background

Bids were received and publicly read on June 8, 2011. The low bid of $564,139.58 was submitted by ProLine Asphalt Paving as can be seen in the attached tabulation of bids. The engineer's estimate at the time of bidding was $706,611. The low bid is therefore $142,471.42 or 20.2% below the engineer's estimate.

Work includes milling the asphalt surface, base repairs, curb & gutter repairs, new sidewalk ramps and an asphalt overlay on Brentwood, Bayside, Buckingham and Breeze Hill, and local roads in the Northfield Hills condominiums area in Section 8. The work is anticipated to start soon after the July 4th holiday and be complete by mid-September.

Recommendation

It is recommended that City Council award a contract for the Northfield Hills Pavement Rehabilitation project to ProLine Asphalt Paving, 11797 29 Mile Road, Washington, MI 48095 for their low total bid amount of $564,139.58.

In addition, we are requesting authorization to approve additional work, if needed, not to exceed 25% of the original project cost due to unknown joint conditions exposed after the milling operation and prior to placement of the asphalt overlay.

Fund Availability

Funds for this work are included in the 2011-12 Local Road Fund. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations

Work was competitively bid and publicly opened with five (5) bidders responding. The award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

Attachment 1

Contract Status

6/29/2012 12:26 PM

FieldManager 4.8a

Contract: .11-04, Local Roads Resurfacing

Contract ID: .11-04
Spec Year: 03
Contract Description: Local Roads Resurfacing
Awarded Contract Amount: $564,927.58
Current Contract Amount: $499,952.83
Amount Paid To Date (FM): $499,952.84
Amount Paid To Date (CAS): $0.00
Total Unpaid Placed Dollar Amt: $0.00
% Complete (awrd): 88.50%
% Complete (curr): 100.00%

Net Change Amount (Auth): $-64,974.77
Net Change Amount (Pend): $0.00
Total Net Change Amount: $-64,974.77
Net Change Pct (Auth): -11.50%
Net Change Pct (Pend): 0.00%
Total Net Change Pct: -11.50%
Original Item Change Amount: $-64,974.77
Overrun Pct: -11.50%
Extra Pct: 0.00%

Location: Northfield Hilss Condos Pavement Rehab
Route:

Project Engineer: William J. Huotari, P.E.- Project Engineer
Resident Engineer: Steven J. Vandette, P.E. - City Engineer
Managing Office Manager: Joseph G. Lietaert, Inspector Supervisor
Managing Office: City of Troy Eng Dept
Managing Office Comments:
Prime Contractor: Pro-Line Asphalt Paving Corp.
Prime Contractor Vendor Id: 08208
Contractor Address: 11797 29 Mile Road

City: Washington **State:** MI **Zip Code:** 48095

Notice To Proceed Date: 7/15/2011
Construction Started Date: 8/1/2011
Closed To Traffic Date: 8/8/2011
Open To Traffic Date: 9/16/2011
All Contract Work Completed: 9/16/2011
Traffic Comments:

Work Type:
Create Electronic Files: No
Standalone Contract: No
Contract Closed: Yes
View IDR's for 999 days

Federal Number:
District: 07870

Project	Status	Control Section
401.447.499.7	XMPT	

Contract Status

6/29/2012 12:26 PM

FieldManager 4.8a

Item Types

Type	Authorized Amt	% of Contract (auth)	Pending Amt	% of Contract (pend)	Total Auth/Pend Amount	% of Contract (auth+pend)
Modified Original	15,000.00	3.00%	0.00	0.00%	15,000.00	3.00%
Original	484,952.82	97.00%	0.00	0.00%	484,952.82	97.00%
Totals	$499,952.82	100.00%	$0.00	0.00%	$499,952.82	100.00%

Site Number	Site Type	Original Completion	Current Completion	Days Charged to Date
00	Completion Date	7/12/2011	7/12/2011	46

Detailed Description: Local Roads Resurfacing