



## CITY COUNCIL ACTION REPORT

June 27, 2007

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Asst. City Manger/Economic Development Services  
Steven J. Vandette, City Engineer *[Signature]*

SUBJECT: Agenda Item – Standard Purchasing Resolution #1: Award to Low Bidder  
Contract 07-2 – Charnwood Hills Sanitary Sewer Phase II

### Background:

- Bids were received and publicly read on June 26, 2007. The low bid of \$1,749,000 was submitted by Tyger Excavating, Inc., 52188 Van Dyke, Suite 211, Shelby Township, MI 48316, as shown on the attached tabulation of bids.
- The Engineer's estimate at the time of bidding was \$1,876,366.00. The low bid is \$127,366 or 6.8% below the Engineer's estimate.
- The work to be performed includes 12,880 feet of sanitary sewer, 122 sanitary leads (96 for existing lots and 26 for potential lots that could be derived from lot splits) and storm sewer improvements on Bretby and Malvern to correct existing drainage problems. The cost of the storm sewer improvements is not included in the benefit fee calculation since it is unrelated to the sanitary sewer construction.
- The sewer benefit fee amount is the cost of the sanitary sewer, including engineering, inspection, testing and contingency, divided by the total number of sewer leads. On that basis, the sewer benefit fee for Phase II is \$16,246.79 as compared with \$16,268.51 for Phase I that was completed last year. The Phase II fee is 0.13% below Phase I, a difference of \$21.72.
- It is recommended that the sewer benefit fee for Charnwood Sanitary Sewers Phase II, as provided for in Chapter 20 of the Troy City Code and revised by Resolution #2005-04-189, be approved at \$16,246.79.
- Benefit fee payments are made in quarterly installments over a 40-year period at 6% interest on the unpaid balance for existing structures. The sewer benefit fee is not paid by any property owner until such time as the owner connects the structure to the sewer.
- The existing chip seal roads will be restored temporarily with gravel until a road restoration project consisting of either chip seal or asphalt overlay is bid in the spring of 2008. Residents will have an opportunity to consider a special assessment for asphalt paving. Residents in Phase I did not opt for asphalt and those roads will be restored this summer with a double chip seal treatment.
- All sewer contract work including restoration is scheduled for completion by the end of November 2007.

### Financial Considerations:

- Funds for this work are included in the 2007/08 Sewer Fund account number 535.7973.044031. The budgeted amount includes funds for engineering, construction, inspection and contingencies.

### Legal Considerations:

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

### Policy Considerations:

- Enhance the livability and safety of the community (Goal I)
- Retain and attract investment while encouraging redevelopment (Goal III)
- Maintain relevance of public infrastructure to meet changing public needs (Goal V)

### Options:

- It is recommended that City Council award a contract for the Charnwood Hills Sanitary Sewer Phase II project to Tyger Excavating, Inc., 52188 Van Dyke, Suite 211, Shelby Township, MI 48316 for their low total bid amount of \$1,749,000. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 10% of the original project cost.

BID TABULATION  
CONTRACT 07-2  
CHARWOOD HILLS SANITARY SEWER PHASE II  
CITY OF TROY  
OAKLAND COUNTY, MICHIGAN

Bids Due: June 26, 2007

	<u>TOTAL BID</u>
Tyger Excavating, Inc.	\$ 1,749,000.00
Six-S, Inc.	\$ 2,015,632.00
Pamar Enterprises, Inc.	\$ 2,150,041.00
DiPonio Contracting	\$ 2,199,509.70
L. D'Agostini & Sons, Inc.	\$ 3,414,181.23 *

\* Corrected by Engineer