



CITY COUNCIL AGENDA ITEM

Date: February 2, 2015

To: Brian Kischnick, City Manager

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

Subject: Standard Purchasing Resolution #1: Award to Low Bidder
Contract 14-8 – Section 4 Water Main Replacement – South Side

History

The cast iron water mains in the south half of Section 4, north of Square Lake and west of Livernois (on Canmoor, Herbmooor, Elmoor, Blackwall, Niles, Aspinwall, and Troyvally streets) are over 45 years old and have exceeded their service life. These mains are included in the Water Capital Budget for replacement, as were the cast iron water mains in the north half of Section 4 which were replaced last year.

In the 1970s, Troy changed its water main standard to ductile iron pipe, as required by the Detroit Water and Sewerage Department (DWSD). This project will replace cast iron mains with the more durable ductile iron pipe and upsize them to meet current 8" minimum pipe size and fire flow standards. This project will significantly reduce costly main breaks that are common with older, cast iron water mains. The work will include replacing all 6" and 8" mains with 8" and 12" ductile iron water mains. The project is anticipated to start in March and be completed by December.

Purchasing

Bids were received and publicly read on January 28, 2015. Nine (9) bids were received, with only \$46,546.50 or 1.4% separating the first and third low bidder. The low bid of \$3,299,267.50 was submitted by Teltow Contracting, Inc. as shown in the attached tabulation of bids. The engineer's estimate for the project was \$3,100,000. The low bid is therefore \$199,267 or 6.0% higher than the engineer's estimate.

Engineering staff talked with the contractors and reviewed the plans, specifications and bids to try to determine the reasons for higher prices this year.

The plans and specifications were found in order. There was nothing materially different than the water main project that was done last year.

Among the reasons for higher prices cited by contractors are a shortage of trucking and higher equipment replacement costs. The economy is improving, there are fewer trucking companies due to companies that went out of business during the recession, there's a higher demand for trucking caused in part by the emerging arena district projects in Detroit and there are higher equipment costs



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due to pent up demand for replacing old equipment. Higher bid prices were found in work items such as pavement removal, aggregate road base, topsoil and sod materials, water main and drain pipe materials, all of which contain trucking and construction equipment as significant components of their cost. These higher costs were especially difficult to estimate since this contract was the first significant water main contract to be bid in the metro region this year. There are no other projects with which to compare prices.

Financial

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

Recommendation

It is recommended that City Council award a contract for the Section 4 Water Main Replacement – South Side project to Teltow Contracting, Inc., 4678 Meldrum Road, Casco, MI 48064 for their low total bid amount of \$3,299,267.50. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 15% of the original project cost due to unknown conflicts with existing underground utilities that may arise during construction. The award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

Enterprise funds are being used to fund this project; enterprise funds can only be used for operation, maintenance and improvements to the water system.

BID TABULATION
CONTRACT 14-8
Section 4 Water Main Replacement - South Side
City of Troy
Oakland County, Michigan

Bids Due: January 28, 2015
Project # 14.501.5

Total Bid Amount

Teltow Contracting, Inc.	\$	3,299,267.50
A D J Excavating, Inc.	\$	3,324,345.39 *
V.I.L. Construction, Inc.	\$	3,345,814.00
DiPonio Contracting	\$	3,446,917.00
Fenton Excavating	\$	3,468,428.79 *
Superior Excavating, Inc.	\$	3,521,811.50 *
Bricco Excavating Company, LLC	\$	3,554,497.00
FDM Contracting	\$	3,566,600.00
PAMAR Enterprises	\$	3,976,412.50

* = Corrected By Engineer

