



CITY COUNCIL AGENDA ITEM

Date: July 14, 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 and Budget Amendment
Contract 15-8 – Wattles Mill & Hot Mix Asphalt (HMA) Overlay

History

This project was budgeted to include asphalt overlay work on three (3) miles of Wattles from Coolidge to Rochester; Crooks from Big Beaver to Banmoor; and at the intersection of Coolidge and Square Lake. It includes milling (grinding off) a portion of the pavement, making repairs to the milled surface, replacing curb & gutter at spot locations, and overlaying the pavement with 1-1/2 to 2 inches of asphalt.

The work is anticipated to start in August and be completed in October.

Purchasing

Bids were received and publicly read on July 8, 2015. The low bid of \$2,183,316.97 was submitted by Pro-Line Asphalt Paving Corp. as shown on the attached tabulation of bids.

The 2015-16 major road budget for this project is \$1.95 million. This budget is based on actual 2014 construction costs, but we have seen higher construction costs this year due to an improving economy and higher construction demand. This project's higher "as bid" cost is due to these factors and also due to our decision to use an asphalt mix that has a lower percentage of recycled asphalt pavement (RAP). Known as a Tier 1 mix it uses up to 17% less RAP than a Tier 2 mix. Over the past few years we have seen better performance using the Tier 1 mix, but using it adds approximately \$5 per ton or about \$50,000 to the asphalt material cost for this project. Additionally, during final design we added approximately 200 feet of sidewalk and a bypass lane on westbound Wattles at Lawson Street that were not contemplated in the budget amount. These items and the Tier 1 mix add approximately \$155,000 to the construction cost of this project.

The total estimated project cost, including construction, inspection, testing and contingency is:

Bid – Construction	\$2,183,316.97
Inspection & Testing	\$86,683.03
Contingency	<u>\$220,000.00</u>
Total	\$2,490,000.00

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

Financial

Funds for this work are available in the 2015-16 budget. The total cost of the project including funds for engineering, construction, inspection and contingencies is estimated at \$2,490,000. The 2016 Major Street Fund will be amended to transfer additional funds in the amount of \$540,000 to complete the project.



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Recommendation

It is recommended that City Council award the Wattles Mill & HMA Overlay contract to Pro-Line Asphalt Paving Corp., 11797 29 Mile Road, Washington Twp., MI, 48095 for their low total bid of \$2,183,316.97. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 10% of the original project cost due to unknown unknown quantities of repair work needed after milling off the asphalt surface.

Bid Tab Summary

	Pro-Line Asphalt Paving Corp. 11797 29 Mile Road Washington, MI 48095	Cadillac Asphalt LLC 2575 S. Haggerty, Ste. 100 Canton, MI 48188	AJAX Paving Industries, Inc. 830 Kirts Blvd., Suite 100 Troy, MI 48084
TOTAL ALL BASE BIDS	\$ 2,078,350.28	\$ 2,152,119.35 *	\$ 2,168,633.35
TOTAL ALTERNATE 3 SIDEWALKS AND BY-PASS LANE	\$ 104,966.69	\$ 119,465.00	\$ 95,800.15
TOTAL WITH ALTERNATE #3 :	\$ 2,183,316.97	\$ 2,271,584.35	\$ 2,264,433.50

* = Corrected By Engineer

