



CITY COUNCIL ACTION REPORT

July 14, 2016

TO: Brian Kischnick, City Manager

FROM: Tom Darling, Director of Financial Services
Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

SUBJECT: Bid Waiver - Standard Purchasing Resolution #3 – Two Year Contract Renewal Contract 16-9, 2017 and 2018 Joint & Crack Sealing Programs

History

Each year major and local roads are selected for joint and crack sealing based on current PASER (Pavement Surface Evaluation and Rating) ratings, pavement age, number of years since joints were sealed and years since the last asphalt overlay or slab replacements were done.

Under the 2015-16 joint sealing program, Stephenson Road from Maple to I-75 and Coolidge from Golfview to Maple road were done. Local asphalt roads in Sections 10, 15, 25 and 28 were also done.

The 2017-18 work will again focus on select major and local roads, including Coolidge south of Maple, three miles of Beach Road and select local roads. The schedule for the 2017 work on Coolidge and on local roads will be determined with the contractor and completed by June 30, 2017. The 2018 work will be completed between July 1, 2017 and June 30, 2018

Purchasing

Bids for the 2015-16 joint sealing program were received and publicly read on April 29, 2015. The low bid of \$277,280 was submitted by Michigan Joint Sealing, Inc., 28830 W Eight Mile, Suite 103, Farmington Hills, MI 48336, as shown on the attached tabulation summary. The Engineer's estimate at the time of bidding was \$281,100.00. The low bid was \$277,280.00 or 1.4% below the Engineer's estimate.

Michigan Joint Sealing has offered to extend their contract for an additional two (2) years at the same unit prices, terms and conditions as the 2015-16 contract. The Purchasing Department has conducted a market survey (attached), which shows the unit price for cleaning and sealing joints under Troy's contract is 1.4% to 8.1% less than other bids opened this spring and early summer in Warren.

Financial

Funds for this work are included in the 2017 and 2018 Local and Major Road Funds. The budgeted amounts includes funds for construction, inspection and contingencies.

Recommendation

It is recommended that City Council renew the 2015-16 Joint & Crack Sealing contract with Michigan Joint Sealing for the 2017 and 2018 budget years at the same unit prices, terms and conditions as the current contract. The 2017 and 2018 budget amounts of \$100,000 for Majors and \$50,000 for Local roads for each year totals \$300,000 for the 2-year contract renewal. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 15% of the original project cost due to unknown quantities of pavement repair work that may be needed after cleaning the joints and cracks.

| | | CITY OF TROY (Contracted Pricing) | CITY OF WARREN Bid Opening 3/2/2016 | CITY OF WARREN Bid Opening 6/22/2016 |
|--|------|--------------------------------------|---|--|
| Company Name: | | Michigan Joint Sealing, Inc. | Scodellar Construction, Inc. | Michigan Joint Sealing, Inc. |
| City: | | Farmington Hills, Mi | Wixom, MI | Farmington Hills, Mi |
| DESCRIPTION | U/M | UNIT PRICE | UNIT PRICE | UNIT PRICE |
| JOINT AND CRACK SEALING PROGRAM | | | | |
| CLEAN AND SEAL JOINTS AND RANDOM CRACKS, COMPLETE | L.F. | \$0.74 | \$0.80 | \$0.75 |

MICHIGAN JOINT SEALING, INC.
28830 W. 8 MILE STE 103
FARMINGTON HILLS, MI 48335
PHONE: 248-476-4120 FAX: 248-476-7639

June 27, 2016

City of Troy
500 W, Big Braver
Troy, MI 58084

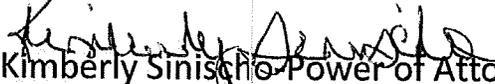
ATTN: Steve Vandette

RE: 2015-2016 Joint & Crack Sealing Program

Steve,

As per our telephone conversation, regarding the above referenced project, we agree to extend our contract prices for two years, beginning July 1, 2016 and ending on June 30, 2018.

Thank you,


Kimberly Sinischio Power of Attorney
Michigan Joint Sealing, Inc.

"AN EQUAL OPPORTUNITY EMPLOYER"

City of Troy

Bid Comparison

Contract ID: 15-04

Description: Joint & Crack Sealing Program

Location: Joint & Crack Sealing Program

Projects(s): Division 1 - Fiscal year 2015, Division 2 - Fiscal Year 2016

| Rank | Bidder | Total Bid | % Over Low | % Over Est. |
|------|--------------------------------------|--------------|------------|-------------|
| 0 | ENGINEER'S ESTIMATE | \$281,100.00 | 1.37% | 0.00% |
| 1 | (04582) Michigan Joint Sealing, Inc. | \$277,280.00 | 0.00% | -1.35% |
| 2 | (03564) Scodeller Construction, Inc. | \$461,300.00 | 66.36% | 64.10% |