



## CITY COUNCIL ACTION REPORT

December 7, 2007

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Asst. City Manger/Economic Development Services  
 Susan A. Leirstein, Purchasing Director  
 Steven J. Vandette, City Engineer *SV* *Doll*

SUBJECT: Addendum #1 to Charnwood Hills Phase 1 Chip Seal Contract 07-4 for Charnwood Phase 2 Chip Seal

### Background:

- Bids were received and publicly read on June 28, 2007. The low bid of \$147,176 was submitted by Pavement Recycling, Inc., 210 S. Blacks Corners Rd., Imlay City, MI 48444.
- The Engineer's estimate at the time of bidding was \$164,720. The low bid was \$17,544 or 10.6% below the Engineer's estimate.
- The work performed was 24,400 square yards of double chip seal treatment and road base crushing and shaping within the Charnwood Phase I sanitary sewer project area.
- Pavement Recycling has offered to extend their unit prices for chip seal work in the Charnwood Phase 2 sewer area, which is currently under construction. The Phase 2 chip seal work would be done late next spring following cleanup and restoration work by the sewer contractor.
- Due to significant variations in the profile of the existing pavement caused by the sewer work and the age of the existing chip seal, a contingency of 25% for re-profiling and chip sealing the existing roadways is appropriate.

### 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 will be included in Contract 07-4. All insurance, bonds and any other contractual obligations will be consistent with Contract 07-4.

### Policy Considerations:

- Enhance the livability and safety of the community (Goal I).

### Policy Considerations:

- 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 approve Addendum #1 for additional work by Pavement Recycling, Inc. to apply chip seal to all roads in the Charnwood Phase 2 sanitary sewer project area located west of Beach Road. The estimated total cost is \$233,600.00.
- In addition, we are requesting authorization to approve additional work, if needed, not to exceed 25% of the original project cost.

# PRI Pavement Recycling Inc.

210 S. BLACKS CORNERS ROAD - IMLAY CITY, MI. 48444

PHONE: (810) 724-8200

FAX: (810) 724-8233

Pavement Recycling: In-Place

Asphalt Pulverizing

Base Stabilizing

- Asphalt
- Cement
- Lime

October 10, 2007

Attn: Steven Vandette, P.E., City Engineer  
City of Troy Engineering Department  
500 W. Big Beaver  
Troy, MI. 48084

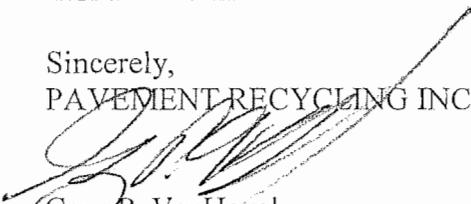
Dear Mr. Vandette,

As you are aware, prices have been rising rapidly for the last few years, this is especially the case for asphalt products used for road building.

In an effort to contain any possible price increases to the City of Troy for the 2008 construction season, Pavement Recycling Inc. would like to offer to extend the prices for Charnwood Hills Phase I Chip Seal Contract # 07-04 for the Charnwood Hills Phase II work. Our suppliers have guaranteed to hold their prices for the 2008 season for this project if Pavement Recycling Inc. provides a purchase order for materials before December 31, 2007.

Thank you for your consideration in this matter and if you have any questions please do not hesitate to call.

Sincerely,  
PAVEMENT RECYCLING INC.

  
Gary P. VanHevel  
President

RECEIVED

OCT 15 2007

ENGINEERING

CONTRACT EXTENSION  
CHARNWOOD HILLS PHASE II CHIP SEAL  
CITY OF TROY  
OAKLAND COUNTY, MICHIGAN

Pavement Recycling Inc  
210 S. Blacks Corners Rd.  
Imlay City, MI 48444

Item	Quantity	Unit Price	Total Cost
1. Base Crushing and Shaping	40000 SYD	\$2.59	\$103,600.00
2. Seal, Double Chip w/Natural Aggregate	40000 SYD	\$3.08	\$123,200.00
3. Aggregate Base	20 TON	\$50.00	\$1,000.00
4. Soil Erosion Control	0 INCD	\$0.00	\$0.00
5. Maintaining Traffic	1 LSUM	\$11,000.00	\$11,000.00
6. Restoration	0 INCD	\$0.00	\$0.00
<b>Total Amount of Bid -</b>			<b>\$238,800.00</b>
<u>Alternate 1</u>			
Seal, Double Chip w/Slag Aggregate	40000 SYD	\$2.95	\$118,000.00
<b>Total Amount of Bid w/Alternate 1 -</b>			<b>\$233,600.00</b>

We do hereby certify that this is a true and correct calculation of extended prices for Phase II Charnwood.

  
Steven J. Vandette, P.E., City Engineer  
City of Troy