



CITY COUNCIL ACTION REPORT

December 10, 2007

TO: Phillip L. Nelson, City Manager

FROM: Brian P. Murphy, Asst City Manager/Economic Development Services
 Susan A. Leirstein, Purchasing Director
 Steven J. Vandette, P.E., City Engineer

SUBJECT: Rejection of Bids for Contract 07-9
 Section 4 Weir Control Structure Project

Background:

- Bids were received and publicly read on November 27, 2007. The low bid of \$419,283.57 was submitted by Dan's Excavating, Inc., 12955 23 Mile Road, Shelby Township, MI 48315.
- One bid was rejected as the bidder did not include the required Addendum No. 1 with their bid.
- The bids ranged from a \$419,283.57 to \$583,843.09; a spread of nearly \$165,000 and all bids exceeded the engineer's estimate.
- The engineer's estimate at the time of bidding was \$362,017.50. The low bid was \$57,266.07 or 15.8% over the estimate.
- Although not mandatory, an on-site pre-bid meeting held on November 17, 2007 was attended by only 1 of 4 bidders. The low bidder did not attend this meeting. Poor attendance may have contributed to higher prices due to a lack knowledge and understanding of the project site. The Engineering Department would like to make this a mandatory meeting.
- The Engineering Department would also like to re-evaluate the scope of the work and work items to see if any adjustments should be made to more clearly define these items, to assure that all needed work items are included in the bid document and to assure that the unit cost estimates accurately reflect the scope of each work item.

Legal Considerations:

- The City is asserting its right to reject any and all bids as stated in the Instructions to Bidders.

Policy Considerations:

- There are no policy considerations related to this action.

Options:

- It is recommended that all bids be rejected due to all bids exceeding the engineer's estimate.

Bid Tabulation
Contract 07-9
Section 4 Weir Control Structure Project
Bids Due: November 27, 2007

City of Troy
Oakland County, Michigan

Dan's Excavating, Inc.	\$419,283.57
Faust Corporation	\$450,790.00
E.C. Korneffel Co.	\$491,738.00
Hardman Construction, Inc.	\$583,843.09

Engineer's Estimate \$362,017.50