F-07

CITY COUNCIL ACTION REPORT

February 13, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/Economic Development Services
Steve Vandette, City Engineer

SUBJECT: Agenda Item – Approval of Subcontract No. 07-5734/S1 with Spalding DeDecker Associates, Inc. for Construction Engineering Services for the Reconstruction of Stephenson Highway, 14 Mile to I-75
Project No. 02.201.5

Background:

- The Engineering Department was authorized by the Michigan Department of Transportation (MDOT) to advertise for un-priced technical proposals for Construction Engineering Services for the Stephenson Highway reconstruction project, from 14 Mile to I-75.
- Construction engineering is eligible for reimbursement with federal funds and as such, the consultant selection process must follow the MDOT consultant selection process (Exhibit 1).
- MDOT's selection process is a Qualifications Based Selection (QBS) process based on the Brooks Act in which a consultant is rated on pre-determined criteria with the top ranked consultant moving on to the next phase of the process based on their experience and qualifications only.
- Proposals were received from seven (7) consultants on Tuesday, January 29, 2008.
- A three (3) person review committee, consisting of the City Engineer, Deputy City Engineer and Civil Engineer, reviewed and rated the consultants based on each firm's understanding of the project, past experience with similar projects, proposed team members and other items as listed on the review sheet (Exhibit 2).
- Spalding DeDecker Associates, Inc. (SDA) was rated as the top consultant. Total final scores for all consultants are summarized in Exhibit 3.
- Once the highest rated consultant is determined, that consultant then submits a price proposal for their services based on guidelines prepared by the Engineering Department.
- The subcontract that is included is based on the price proposal as submitted by SDA on February 12, 2008.

Financial Considerations:

- Bids for the construction phase were opened by MDOT on February 1, 2008. The low bidder is Six-S, Inc. in the amount of $3,684,329.00.
- SDA's cost to perform the Construction Engineering Services is $441,886.07 or 12% of the as-bid construction cost as detailed in their Priced Proposal. (Exhibit 4)
- MDOT guidelines allow construction engineering to be a maximum of 15% of the physical construction cost.

- Up to eighty (80) percent of the construction engineering services are reimbursable with federal funds.
- Subcontract No. 07-5734/S1, as submitted, is based on estimated costs, as is standard with all MDOT agreements, since these agreements are prepared before actual costs are known. The city's actual cost is based on the actual cost incurred by the consultant's work within the parameters of the agreement.

Legal Considerations:

- The format and content of the agreement has been reviewed by the Legal Department and is consistent with construction engineering subcontracts approved by City Council in the past on Rochester Road, Long Lake Road and Big Beaver.
- MDOT will review and approve the consultant selection process used by the city along with the subcontract.

Policy Considerations:

- Minimize the cost and increase the efficiency and effectiveness of City government (Goal II)
- Maintain relevance of public infrastructure to meet changing public needs (Goal V)

Options:

- Staff recommends that City Council approve the attached Subcontract No. 07-5734/S1 with Spalding DeDecker Associates, Inc. for the purpose of fixing the rights and obligations of each party for construction engineering services for the Stephenson Highway, 14 Mile to I-75 reconstruction project. Furthermore, staff recommends that the Mayor and City Clerk be authorized to execute the agreements.

Prepared by: Bill Huotari, Deputy City Engineer
G:\Projects\Projects - 2002\02.201.5 - Stephenson, 14 Mile to I75\Construction Engineering\MDOT Construction Agreement\To CC re 3rd Party CE Agreement_Stephenson_r1.doc

EXHIBIT 1

Consultant Selection Process

If an agency would like to use the services of a consultant, and federal funds will reimburse the costs incurred, a proper consultant selection process is required according to federal regulations. If an agency would like to use the services of a consultant, and state funds will reimburse the costs incurred, a proper consultant selection process is recommended according to MDOT policy. The Brooks Act requires that work performed by an engineering or architectural company will be selected using a qualifications-based procedure. Selecting a consultant based solely on the bid price is not acceptable.

The documentation that the local agency must submit to the Local Agency Programs Section is as follows:

- Letter stating that the agency does not have the resources to perform the necessary work.
- Copy of the advertisement of the project for interested consultants.
- Listing of firms that show interest.
- Consultant selection criteria for submission of detailed bids **(the criteria may not include price as a factor or exclude non-local consultants).**
- Copy of the request for proposal (RFP), whic includes pertinent dates, project description, location map, and the MDOT "boiler plate" agreement.
- Basis for final selection **(the justification may not include price as a factor).**
- Copy of the evaluation form that will be used to rate the consultant's performance upon completion of the contract.

Deviation from the outlined procedure is prohibited and may result in non participatory consultant costs. For questions regarding this information, please contact the staff engineer in your area.

Sample Criteria

Price cannot be a factor

- Qualifications and experience of personnel, especially key project personnel with similar federally funded work.
- Familiarity with federal, state and local policies and regulations associated with projects advertised, let and awarded through MDOT.
- Proximity to the project site or your agency's offices.
- Understanding of the project.
- Availability of the firm to provide the services within the established time frame (can include past evidence that the consultant completes engineering service contracts on time and within the financial terms of the agreement).
- Professional integrity and competence.

SAMPLE EVALUATION

The selection process includes evaluation of the information provided by the prime consultant and sub-consultants, plus existing post-evaluations on the prime and sub-consultants (if available). This sample evaluation is based on the criteria described above and scored using the following relative weights:

CRITERIA	NUMBER OF POINTS
Experience and Qualification:	
Prime Firm	15
Sub-Consultants	5
Project Manager	10
Staff	10
Quality Assurance	15
Capacity	5
Past Performance	15
Understanding	10
Location	15
Maximum Total Points =	100 points

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11TH DISTRICT, MICHIGAN

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WASHINGTON, DC 20515
202-225-5802

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SUITE 100
FARMINGTON HILLS, MI 48334
248-851-1366

15439 MIDDLEBELT
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734-425-7557

Congress of the United States
House of Representatives
Washington, DC 20515–2211

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES:
DISTRICT OF COLUMBIA, CHAIRMAN
VA, HUD AND INDEPENDENT AGENCIES
FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS

PAUL F. WELDAY
CHIEF OF STAFF

Rep.Knollenberg@mail.house.gov
www.house.gov/knollenberg

November 15, 2001

Mr. Steven Vandette
Troy City Engineer
500 W. Big Beaver Rd.
Troy, MI 48084

Dear Mr. Vandette:

I am writing regarding your request that cost be included as one of the evaluation criteria for consultant selection on federally funded road projects. I apologize for the delay in responding to your request. As a result of the September 11th attacks many requests that my office was investigating were either put on hold or were unable to be completed as a result of the shut down in many government agencies, as well as Congressional Offices, due to the anthrax related letters.

However, after recently conferring with the Department of Transportation and the Federal Highway Administration I was informed that in order to add cost as an evaluation criterion to the consultant selection process, there would need to be a change in the Brooks Act. As you may be aware, there are no waiver or exemption provisions currently in the Brooks Act as amended. But as you know, a qualification based selection process where cost is not a factor only applies to the selection of consultants and not contracting companies who actually do the road projects.

Rest assured that I will continue work to find an appropriate legislative vehicle to make the appropriate changes in the Brooks Act so that cities and municipalities are able to consider the financial costs associated with selecting consultants for impending road projects.

If you have any further questions or concerns regarding this or any other issue, please do not hesitate to contact my staff or I at the addresses listed above.

Sincerely,

Joe Knollenberg
Member of Congress

Cc: Mayor Matt Pryor

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EXHIBIT 2

CONSTRUCTION ENGINEERING SERVICES REVIEW
STEPHENSON HIGHWAY, 14 MILE TO I-75

Firm: CONSULTANT

Item No.	Task	Grade	Weight	Total	Comments
1.	Understanding of Services / Project Requirements		2		
2.	Experience with Similar Types of Road Projects		3		
3.	Qualifications & Experience of "Key Personnel"				
	a. Project Engineer		4		
	b. Lead Inspector		4		
	c. Lead Surveyor		2		
	d. Traffic Engineer		1		
	e. Other Staff		1		
4.	Past Performance of Firm		3		
	Firm Total				

Grade on a scale of 1-5 with 1 representing the lowest and 5 representing the highest.

General Comments:

_____

_____

_____

_____

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_____

Reviewer_____ Date_____

EXHIBIT 3

Construction Engineering Services Review Stephenson Highway, 14 Mile to I-75		
Consultant	Total Score	Overall Rank
Spalding DeDecker Assoc., Inc.	259	1
Hubbell, Roth & Clark, Inc.	240.75	2
Rowe Inc.	233.15	3
Fishbeck, Thompson, Carr & Huber, Inc.	228.75	4
URS	226.25	5
Wade Trim	219.5	6
Nowak & Fraus	199.75	7

EXHIBIT 4

Exhibit A - SDA

DERIVATION OF COST PROPOSAL
(PRE-CONSTRUCTION DESIGN SERVICES)

CONTROL SECT. - JOB NUMBER	PROJECT DESCRIPTION
CS STU 63459	Stephenson Highway, 14 Mile Road northerly to I-75
JN 102287A	City of Troy, Michigan

PRIME CONSULTANT NAME
SPALDING DEDECKER ASSOCIATES, INC.

DIRECT LABOR:

Classification	Person Hours	x	Hourly Rate	=	Labor Costs
SDA QA/QC	16		$ 54.97		$ 879.52
SDA Project Manager	425		$ 53.91		$ 22,911.75
SDA Technical Design Advisor	32		$ 46.82		$ 1,498.24
SDA Traffic Engineer	32		$ 24.70		$ 790.40
SDA Lead Construction Inspector	1582		$ 26.65		$ 42,160.30
SDA Construction Inspector	1028		$ 29.01		$ 29,822.28
SDA Office Technician	500		$ 21.06		$ 10,530.00
SDA Lead Surveyor	30		$ 40.72		$ 1,221.60
SDA Surveyor Crew Chief	110		$ 25.37		$ 2,790.70
SDA Surveyor Assistant	110		$ 15.89		$ 1,747.90
Total Hours:	3865	=	Total Labor		$ 114,352.69

OVERHEAD:

Total Labor	x	198.00%	=	Total Overhead	$ 226,418.33

FACILITIES COST OF CAPITAL:

Total Labor	x	7.08%	=	Total F.C.C.	$8,096.17

DIRECT EXPENSES:

Mileage	(0 x 0.505)		$ -
		Total Direct Costs	$ -

SUBCONSULTANT FEES

Professional Services Industries, Inc.		$ 55,534.07
	Total Subconsultant Cost	$ 55,534.07

FIXED FEE:

Labor + Overhead	x	11.0%	=		
				Total Fixed Fee	$ 37,484.81
				TOTAL COSTS	$ 441,886.07

DERIVATION OF COST PROPOSAL
(PRE-CONSTRUCTION DESIGN SERVICES)

CONTROL SECT. - JOB NUMBER	PROJECT DESCRIPTION
CS STU 63459	Stephenson Highway, 14 Mile Road northerly to I-75
JN 102287A	City of Troy, Michigan

SUB - CONSULTANT NAME
PROFESSIONAL SERVICES INDUSTRIES, INC.

DIRECT LABOR:

Classification	Person Hours	x	Hourly Rate	=	Labor Costs	
Reg'l Engineer/Team Leader	5		$41.70		$	208.50
Project Engineer	50		$30.45		$	1,522.50
Technician/Inspector	630		$18.00		$	11,340.00
Technician/Inspector	100		$13.86		$	1,386.00
Technician/Inspector	10		$22.46		$	224.60
Technician/Inspector	90		$15.00		$	1,350.00
Technician/Inspector	50		$18.21		$	910.50
Technical Support	50		$16.33		$	816.50
Total Hours:	985	=	Total Labor		$	17,758.60

OVERHEAD:

Total Labor	x	169.97%	=	Total Overhead	$	30,184.29

FACILITIES COST OF CAPITAL:

Total Labor	x	1.675%	=	Total F.C.C.		$297.46

DIRECT EXPENSES:

Mileage	(4000 x 0.505)		$	2,020.00
		Total Direct Costs	$	2,020.00

FIXED FEE:

Labor + Overhead	x	11.0%	=			
				Total Fixed Fee	$	5,273.72
				TOTAL COSTS	**$**	**55,534.07**

Exhibit B

DERIVATION OF COST
SUMMARY BY JOB NUMBER AND BY CATEGORY
JN 102287A CS STU 63459

(This summary includes all costs for all job numbers shown on the Prime and Subconsultant sheets)

DIRECT LABOR:	Direct Labor Hours	Direct Labor Costs
Prime Consultant Spalding DeDecker Associates, Inc.	3865	$ 114,352.69
Sub-Consultant Professional Services Industries, Inc.	985	$ 17,758.60
	Total Direct Labor	$ 132,111.29

OVERHEAD:		Overhead Costs
Prime Consultant		$ 226,418.33
Sub-Consultant		$ 30,184.29
	Total Overhead	$ 256,602.62

FACILITIES COST OF CAPITAL:		FCC Costs
Prime Consultant		$8,096.17
Sub-Consultant		$297.46
	Total FCC	$ 8,393.63

DIRECT EXPENSES:		Direct Costs
Prime Consultant		$ -
Sub-Consultant		$ 2,020.00
	Total Direct Costs	$ 2,020.00

FIXED FEE:		Fixed Fee Costs
Prime Consultant		$ 37,484.81
Sub-Consultant		$ 5,273.72
	Total Fixed Fees	$ 42,758.53
TOTAL COSTS FOR THIS PROJECT		$ 441,886.07

Exhibit C

DERIVATION OF COST

JN 102287A
CS STU 63459

SUMMARY BY CONSULTANT

Stephenson Highway, 14 Mile Road northerly to I-75□City of Troy, Michigan

	CE Hours		CE Cost		Fixed Fee	DBE Y/N	% of Cost
PRIME CONSULTANT Spalding DeDecker Associates, Inc.	3865	$	114,352.69	$	37,484.81	N	87.43%
SUB-CONSULTANT(S) Professional Services Industries, Inc.	985	$	17,758.60	$	5,273.72	N	12.57%
	Total		$132,111.29		$42,758.53		100%

Proposed Person Hours by Task

Exhibit C

NAME OF PRIME CONSULTANT: Spalding DeDecker Associates, Inc.

DATE: February 11, 2008

CONTROL SECTION - JOB NUMBER: CS STU 63459, JN 102287A

PROJECT DESCRIPTION: Stephenson Highway, 14 Mile Road northerly to I-75, City of Troy, Michigan

DESCRIPTION OF JOB CLASSIFICATIONS

Task Number	PPMS Task Description	Firm	Project Manager	Project Engineer	Geotechnical Engineer Team Leader	Geotechnical Project Engineer	Geotech. Constr. Tech.	Geotech. Tech. Support	Lead Surveyor	Surv. Crew Chief	Office Tech.	Sr. Constr. Tech.	Constr. Tech.	QA/QC	Total by Task
810 A	SDA QA/QC		0	0	0	0	0	0	0	0	0	0	0	16	16
		SDA	0	0	0	0	0	0	0	0	0	0	0	16	
810 B	SDA Project Manager		425	0	0	0	0	0	0	0	0	0	0	0	425
		SDA	425	0	0	0	0	0	0	0	0	0	0	0	
405 A	SDA Technical Design Advisor		32	0	0	0	0	0	0	0	0	0	0	0	32
		SDA	32	0	0	0	0	0	0	0	0	0	0	0	
405 B	SDA Traffic Engineer		0	32	0	0	0	0	0	0	0	0	0	0	32
		SDA	0	32	0	0	0	0	0	0	0	0	0	0	
810 C	SDA Lead Construction Inspector		0	0	0	0	0	0	0	0	0	1582	0	0	1582
		SDA	0	0	0	0	0	0	0	0	0	1582	0	0	
810 D	SDA Construction Inspector		0	0	0	0	0	0	0	0	0	0	1028	0	1028
		SDA	0	0	0	0	0	0	0	0	0	0	1028	0	
810 E	SDA Office Technician		0	0	0	0	0	0	0	0	500	0	0	0	500
		SDA	0	0	0	0	0	0	0	0	500	0	0	0	
100 A	SDA Lead Surveyor		0	0	0	0	0	0	30	0	0	0	0	0	30
		SDA	0	0	0	0	0	0	30	0	0	0	0	0	
100 B	SDA Surveyor Crew Chief		0	0	0	0	0	0	0	110	0	0	0	0	110
		SDA	0	0	0	0	0	0	0	110	0	0	0	0	
100 C	SDA Surveyor Assistant		0	0	0	0	0	0	0	110	0	0	0	0	110
		SDA	0	0	0	0	0	0	0	110	0	0	0	0	
900 A	PSI Reg'l Engineer Team Leader		0	0	5	0	0	0	0	0	0	0	0	0	5
		PSI	0	0	5	0	0	0	0	0	0	0	0	0	
900 B	PSI Project Engineer		0	0	0	50	0	0	0	0	0	0	0	0	50
		PSI	0	0	0	50	0	0	0	0	0	0	0	0	
900 C	PSI Technician/Inspector		0	0	0	0	630	0	0	0	0	0	0	0	630
		PSI	0	0	0	0	630	0	0	0	0	0	0	0	
900 D	PSI Technician/Inspector		0	0	0	0	100	0	0	0	0	0	0	0	100
		PSI	0	0	0	0	100	0	0	0	0	0	0	0	
900 E	PSI Technician/Inspector		0	0	0	0	10	0	0	0	0	0	0	0	10
		PSI	0	0	0	0	10	0	0	0	0	0	0	0	
900 F	PSI Technician/Inspector		0	0	0	0	90	0	0	0	0	0	0	0	90
		PSI	0	0	0	0	90	0	0	0	0	0	0	0	
900 G	PSI Technician/Inspector		0	0	0	0	50	0	0	0	0	0	0	0	50
		PSI	0	0	0	0	50	0	0	0	0	0	0	0	
900 H	PSI Technical Support		0	0	0	0	0	50	0	0	0	0	0	0	50
		PSI	0	0	0	0	0	50	0	0	0	0	0	0	
	Total Hours by Classification		457	32	5	50	880	50	30	220	500	1582	1028	16	4850
		SDA	457	32					30	220	500	1582	1028	16	3865
		PSI			5	50	880	50							985
															4850