



CITY COUNCIL ACTION REPORT

March 24, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/Economic Development Services
Steven J. Vandette, City Engineer *SV*

SUBJECT: Contract Addendum No. 1 - 07-6 – Northfield Parkway Mill and Overlay

Background:

- The Northfield Parkway Mill and Overlay project involved milling (grinding) several inches of the concrete pavement, repairing the joints and cracks left after the milling and then applying two layers of asphalt.
- The amount of joint and crack repairs is highly variable, as it depends on how wide the deteriorated joints and cracks are to begin with, and how deep into the slab the deterioration goes.
- Some joints and cracks become narrower after the milling and need no repair, while others become wider and need more repair. Estimating the repair quantity for bidding purposes poses a challenge to the estimator.
- Northfield Parkway's joints actually got wider after the milling due to deterioration that was occurring from the bottom of the slab up, rather than from the top down as is typically the case. Consequently, more Pavement Joint and Crack Repair work was necessary than anticipated in the contract.
- Since it is not practical or cost effective to stop the construction for minor increases in contract quantities, work continued until completion of the project.
- Whenever the 10% contingency authorized with the contract award is sufficient to cover added costs, as is normally the case, the final contractor payment is made and the project is closed out.
- Because the Northfield project costs exceeded the 10% contingency, City Council approval is needed prior to processing payment for the additional joint and crack repair work.
- The amount exceeding the 10% contingency is \$49,381.56 or 8.85% of the original contract amount of \$557,674.26. The revised total contract amount authorization is \$662,823.25 including the 10% overall contingency as per the original contract award resolution, and the \$49,381.56 amount for which Addendum No. 1 exceeds the 10% contingency.
- Future mill and overlay projects may suggest a need for an increase to the contingency from 10% to a contingency of 20-25% to allow for the high degree of variability in the existing pavement.

Financial Considerations:

- Funds are available to complete this project in the 2007/08 Major Road budget account number 401479.7989.300. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations:

- There are no legal considerations associated with this item.

Policy Considerations:

- There is no policy consideration associated with this item.

Recommendation:

- It is recommended that City Council approve Contract Addendum No. 1 for \$49,381.56 to the Northfield Parkway Mill and Overlay contract with Ajax Paving Industries, Inc., 830 Kirts Blvd., Suite 100, Troy, MI 48084.