



CITY COUNCIL ACTION REPORT

May 12, 2008

TO: Phillip L. Nelson, City Manager

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

SUBJECT: Standard Purchasing Resolution #1: Award to Low Bidder
Contract 08-1 – Eckford S.A.D. Paving and Storm Sewer
Project No. 06.202.1

Background:

- Bids were received and publicly read on May 8, 2008. The low bid of \$149,851.77 submitted by Commerce Construction & Landscaping, Inc. is shown in the attached tabulation of bids.
- The Engineer's estimate at the time of bidding was \$181,000. The low bid is \$31,148.23 or 17.20% below the Engineer's estimate of the overall cost including the city and S.A.D. shares.
- Although the City has not worked with this contractor before and the low bid is considerably lower than the estimate, the contractor has stated that they will give us a good job and our reference check found good quality work in other communities and many satisfied customers.
- This work includes paving the existing gravel road and installing under drain systems on Eckford Street from address #959 to address #785 in Section 15. All Contract work is scheduled to start in June of 2008 and be complete by July, 2008, with the exception of seed and sod restoration which will be completed by September 30, 2008.
- This work is part of a special assessment district (S.A.D.) as approved by Resolution #4 (2007-06-186) on June 18, 2007. The estimated construction cost is 16.6% below the S.A.D. estimated share. In accordance with S.A.D. procedures, a cost more than 5% below the S.A.D. estimated cost results in a new assessment roll to reflect the lower cost. This new roll will be prepared after the project is completed and the actual as built cost is known.

Financial Considerations:

- Funds for this work are included in the Local Roads Fund, account number 401499.7989.062021. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations:

- Work was competitively bid and publicly opened with nine (9) bidders responding.
- Award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

Policy Considerations:

- Enhance the livability and safety of the community (Goal I)
- 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 award a contract for the Eckford S.A.D. Paving and Storm Sewer to Commerce Construction & Landscaping Inc., P.O. Box 930098, Wixom, MI 48393-0098 for their low total bid amount of \$149,851.77. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 10% of the original project cost.

Prepared by: Antonio Cicchetti, PE
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BID TABULATION
CONTRACT 08-1
ECKFORD S.A.D. PAVING AND STORM SEWER
CITY OF TROY
OAKLAND COUNTY, MICHIGAN

Bids Due: May 8, 2008
Project # 06.202.1

TOTAL AMOUNT OF BID

Commerce Construction & Landscaping, Inc.	\$149,851.77
Asix Asphalt Paving	\$178,625.27
A.W. Excavating, Inc.	\$181,791.76
Nagle Paving Company	\$188,719.80
Florence Cement, Inc.	\$189,579.05
Tyger Excavating, Inc.	\$198,083.20
John Carlo, Inc.	\$204,865.10
Mago Construction Company	\$223,607.80 *
Barrett Paving Materials	\$227,000.00

* Corrected by Engineer