



CITY COUNCIL ACTION REPORT

March 8, 2010

TO: John Szerlag, City Manager

FROM: Mark F. Miller, Acting Assistant City Manager/Economic Development Services
Steven J. Vandette, City Engineer *SV*

SUBJECT: Agenda Item – Standard Purchasing Resolution #1: Award to Low Bidder
Contract 09-12 – John Arbor Subdivision Water Main Replacement

Recommendation:

- It is recommended that City Council award a contract for the John Arbor Subdivision Water Main Replacement to Site Development, Inc., 30850 Stephenson Hwy., Madison Heights MI 48071 for their low total bid amount of \$461,211.20. In addition, we are requesting authorization to approve additional work, if needed, not to exceed 10% of the original project cost. Enterprise funds are being used to fund this project; enterprise funds can only be used for operation, maintenance and improvements to the water system.

Background:

- Bids were received and publicly read on March 3, 2010. The low bid of \$461,211.20 as submitted by Site Development, Inc., can be seen in the attached tabulation of bids.
- The Engineer's estimate at the time of bidding was \$676,798.00. The low bid is therefore \$215,586.80 or 31.85% below the Engineer's estimate.
- Work will include replacing the existing 6" water mains on Jarman, Chancery, Gulliver, and Ravenna with an 8" water main and provide an additional water main loop from Harman to Ravenna for this area. This work is scheduled to start in April of 2010 and be complete by August 2010.

Financial Considerations:

- Funds for this work are included in the 2009/10 Water Fund, account numbers 591.537.555.7972.095045. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations:

- Work was competitively bid and publicly opened with seven (7) bidders responding.
- Award is contingent upon submission of proper proposal and bid documents, including insurance certificates, bonds and all specified requirements.

Policy Considerations:

- Troy adds value to properties through maintenance or upgrades of the infrastructure and quality of life services.

Bid Tabulation Summary

Contract ID: _09-12
Contract Year: 2010
Location:
Description: John Arbor Water Main Replacement

Project Number: 09.504.5	Project Engineer: Scott Finlay
Estimate Number: 2	Date Created: 3/3/2010
Project Type: New Construction	Fed/State #:
Location: City of Troy	Fed Item:
	Control Section:

Description: John Arbor Water Main Replacement

Rank	Vendor	Total Bid	% Over Low	% Over Est.
0	ENGINEER'S ESTIMATE	\$676,798.00	46.74%	0%
1	(08617) Site Development, Inc.	\$461,211.20	0%	-31.85%
2	(06385) D.V.M. Utilities Inc.	\$506,885.90	9.90%	-25.10%
3	(06306) Blade Action, Inc.	\$561,313.00	21.70%	-17.06%
4	(02920) Pamar Enterprises, Inc.	\$617,205.00	33.82%	-8.80%
5	(_70001) Bricco Excavating Company, L.L.C.	\$629,935.00	36.58%	-6.92%
6	(04719) Teltow Contracting, Inc.	\$655,587.10	42.14%	-3.13%
7	(01232) Knight Construction Co.	\$775,836.70	68.21%	14.63%