



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2017-0105

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., DPS Director
DATE: March 13, 2017
SUBJECT: 2017 Concrete Road Replacement Program - City File No. E17-001

REQUEST:

The Department of Public Services recommends awarding the contract for the *2017 Concrete Road Replacement Program* to Cipparrone Contracting, Inc. of Southfield, Michigan and authorizes the Mayor to execute a contract on behalf of the City. Staff has provided two (2) contract award amount options as follows:

- **Option 1**, award a contract for an amount of \$1,894,401.50 (Cipparrone’s bid price) with a 10% contingency for an amount of \$189,440.15 to allow for quantity adjustments based on final measurements verified in the field for a total not-to-exceed construction cost of \$2,083,841.65.
- **Option 2**, award the contract for an amount of \$2,419,401.50 (Cipparrone’s bid price with additional \$525,000.00) with a 10% contingency in the amount of \$241,940.15 to allow for quantity adjustments based on final measurements verified in the field for a total not-to-exceed construction cost of \$2,661,341.65. This option would allow replacement of additional streets while operating within the FY2017 roads budget.

REASON FOR PURCHASE:

On Thursday, February 9, 2017, the City received eight (8) sealed bids for the *2017 Concrete Road Replacement Program* (bid tabs attached). Of the bids received, Cipparrone Contracting Inc. was the lowest, responsive, responsible bidder. The bid received from Cipparrone Contracting Inc. is 27% below the engineering cost estimate, shown on the attached bid tabulation. Work is set to begin in April 2017 with a completion date scheduled early September 2017.

The Scope of Work includes:

Drainage structure adjust/recondition/reconstruct; installation of under drains; placement of aggregate base for concrete roads and drives, concrete pavement removal and replacement; restoration; and other miscellaneous items of work.

Project Area Locations

Pleasant View Drive	Michele Court	Ravine Terrace Court	Park Creek Court
Heritage Hill Court	Brandon Court	Ulster Road	Greenspring Lane
Salem Court	Sunbury Court	E Maryknoll Road	Eagle Drive
Salem Drive	Shellbourne Drive	Standford Circle	Fielding Drive

Note: Option 2 proposes adding the following streets: Terrace Court, Greenspring Lane, Eagle Court, Eagle Drive, Pheasant Ring Court, Shellbourne, Millbrook Court, and Michele Court.

PROCESS:

Vendor Name and Address:

Cipparone Contracting Inc.
29200 Southfield Rd. Suite 100
Southfield, MI 48076

Reason for Selection:

Lowest, Responsive, Responsible Bidder

Method of Purchase:

Blanket Purchase Order/ Contract

BUDGET:

Option 1 – Award Contract as Bid

Funding is in the 2017 Adopted Budget

The project total is \$2,083,841.65 split as:

- [\$1,894,401.50 plus a 10% contingency of \$189,440.15]
- MR-01A: Major Road Rehabilitation Program = \$440,000.00
 - [\$400,000.00 plus a 10% contingency of \$40,000.00]
- LS-01: Local Street Rehabilitation Program = \$1,643,841.65
 - [\$1,479,457.48 plus a 10% contingency of \$164,384.17]

Please note: Remaining Budget amounts still needed in FY 2017 for Asphalt Road Rehabilitation Program, and Section 33 Road Resurfacing Project (included with water main project), and for other consultants engineering costs associated with survey & layout, and geotechnical services (typically 2.5% of contractor payments).

Fund Name	Department Account No	Account No. Description	Remaining Budget Amount	Cost	Remaining Budget
Major Road	452.970000	Construction (MR-01A)	\$500,000.00	\$440,000.00	\$60,000.00
Local Street	454.970000	Construction (LS-01)	\$3,774,288.53	\$1,643,841.65	\$2,130,446.88
		Option #1 Total	\$4,274,288.53	\$2,083,841.65	\$2,190,446.88

Option 2 – Award Contract Utilizing Current Budget Amount

Funding is in the 2017 Adopted Budget.

The project total is \$2,661,341.65 split as:

- [\$2,419,401.50 plus a 10% contingency of \$241,940.15] split as:
- MR-01A: Major Road Rehabilitation Program = \$440,000.00
 - [\$400,000 plus a 10% contingency of \$40,000.00]
- LS-01: Local Street Rehabilitation Program = \$2,221,341.65
 - [\$1,999,207.48 plus a 10% contingency of \$222,134.17]

Please note: Remaining Budget amounts still needed in FY 2017 for Asphalt Road Rehabilitation Program, and Section 33 Road Resurfacing Project (included with water main project), and for other consultant engineering costs associated with survey & layout, and geotechnical services (typically 2.5% of contractor payments).

Fund Name	Department Account No	Account No. Description	Remaining Budget Amount	Cost	Remaining Budget
Major Road	452.970000	Construction (MR-01A)	\$500,000.00	\$440,000.00	\$60,000.00
Local Street	454.970000	Construction (LS-01)	\$3,774,288.53	\$2,221,341.65	\$1,552,946.88
		Option #2 Total	\$4,274,288.53	\$2,661,341.65	\$1,612,946.88

RECOMMENDATION:

The Department of Public Services recommends for City Council to award Option 2 contract for the 2017 Concrete Road Replacement Program to Cipparrone Contracting, Inc of Southfield, Michigan as the lowest, responsive, responsible bidder for an amount of \$2,419,401.50 and authorize the Mayor to execute a contract on behalf of the City.

The Department of Public Services also requests City Council authorization of a 10% contingency for an amount of \$241,940.15 to allow for quantity adjustments based on final measurements verified in the field for a total not-to-exceed construction cost of \$2,661,341.65.

The Department of Public Services staff will provide the following construction professional engineering services for this project: inspection, complaint resolution, and contract administration along with outside consulting services for survey layout, staking, and geotechnical materials testing.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		