



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2012-0194

**TO:** Mayor and City Council Members

**FROM:** Allan E. Schneck, P.E., DPS Director

**DATE:** May 21, 2012

**SUBJECT:** "2012" Concrete Road Slab Replacement Program & Fire Station No. 4 Drive Reconstruction - City File No. E12-001

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**REQUEST:**

The Department of Public Service recommends awarding the contract for the "2012" Concrete Road Slab Replacement Program & Fire Station No. 4 Drive Reconstruction to Galui Construction Company of Clinton Township, Michigan and authorizes the Mayor and Clerk 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 in the amount of \$1,010,812.00 with a 10% contingency in the amount of \$101,081.20 to allow for quantity adjustments based on final measurements verified in the field. This amount reflects the project amount as bid based upon estimated quantities.
- **Option 2**, award the contract in the amount of \$1,368,010.00 with a 10% contingency in the amount of \$136,801.00 to allow for quantity adjustments based on final measurements verified in the field. This option would allow the City to realize the favorable bid amounts by utilizing the full budgeted amount to have more roads repair work completed in 2012.

**REASON FOR PURCHASE:**

On Wednesday, May 9, 2012, the City received seven (7) sealed bids for the "2012" Concrete Road Slab Replacement Program & Fire Station No. 4 Drive Reconstruction (bid tabs attached). Of the bids received, Galui Construction Company was the lowest, responsive, responsible bidder. The bid received from Galui Construction Company is 31% below the engineering cost estimate, which is shown on the attached bid tabulation. Work is expected to begin in June 2012 with a completion date scheduled for mid September, 2012.

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; selective joint repair work; restoration; and other miscellaneous items of work. The typical pavement cross-sections are as follows:

**Subdivision Streets (Local and Major)**

Existing 7" to 8" non-reinforced concrete pavement, with integral curb & gutter, placed on existing subgrade. The replacement pavement section consists of 8" concrete pavement (non-reinforced) over 6" 21AA aggregate base.

## **Industrial Streets**

Existing 9" to 10" non-reinforced concrete pavement, with integral curb & gutter, placed on existing subgrade. The replacement pavement section consists of 10" concrete pavement (non-reinforced) over 6" 21AA aggregate base.

The proposed work locations scheduled to be performed in the 2012 program includes:

- Avon Tech Park
- Brookedale West
- Brookdale Woods
- Chichester
- Covington Place
- Cumberland Hills
- Eddington Farms
- Hawthorn
- Hawthorn Hills
- North Fairview Farms
- Oxford Estates
- Valley Stream

## **PROCESS:**

### **Vendor Name and Address:**

Galui Construction Company  
33805 Harper Avenue  
Clinton Twp, MI 48035

### **Reason for Selection:**

Lowest, Responsive, Responsible Bidder

### **Method of Purchase:**

Blanket Order Contract

## **BUDGET:**

### **Option 1 – Award Contract as Bid**

The project is funded in the 2012 CIP and 2012 Adopted Budget under Major Road MR-03 [Concrete Slab Replacement] - \$336,250.00; MR-03B [LDFA Road Rehabilitation Program] - \$200,000.00; LS-03 [Local Street Concrete Program] - \$1,000,000.00; and FA-13J [Fire Station #4 / Cement Apron] - \$27,000.00 for a total of \$1,563,250.00.

The project total is \$1,010,812.00 plus a 10% contingency of \$101,081.20] split as:

- MR-03 – \$239,166.01 [\$217,423.64 plus a 10% contingency of \$21,742.37]
- MR-03B – \$141,970.69 [\$129,064.26 plus a 10% contingency of \$12,906.42]
- LS-03 - \$710,945.51 [\$646,314.10 plus a 10% contingency of \$64,631.41].
- FA-13J - \$19,811.00 [\$18,010.00 plus a 10% contingency of \$1,801.00]

Other costs associated with the project include geotechnical services (typically 2.5% of contractor payments) and survey & layout supplies such as stakes and paint.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road	452.970000	Construction (MR-03)	\$336,250.00	\$239,166.01	\$97,083.99
Major Road	452.970000	Construction (MR-03B)	\$200,000.00	\$141,970.69	\$58,029.31
Local Street	454.970000	Construction (LS-03)	\$1,000,000.00	\$710,945.51	\$289,054.49
Facilities	631.974000	Land Improvements (FA-13J)	\$27,000.00	\$19,811.00	\$7,189.00

**Option 2 – Award Contract Utilizing Full Budget Amount**

The project total is \$1,368,010.00 plus a 10% contingency of \$136,801.00] split as:

- MR-03 – \$325,215.00 [\$295,650.00 plus a 10% contingency of \$29,565.00]
- MR-03B – \$193,050.00 [\$175,500.00 plus a 10% contingency of \$17,550.00]
- LS-03 - \$966,735.00 [\$878,850.00 plus a 10% contingency of \$87,885.00].
- FA-13J - \$19,811.00 [\$18,010.00 plus a 10% contingency of \$1,801.00]

Other costs associated with the project include geotechnical services (typically 2.5% of contractor payments) and survey & layout supplies such as stakes and paint.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road	452.970000	Construction (MR-03)	\$336,250.00	\$325,215.00	\$11,035.00
Major Road	452.970000	Construction (MR-03B)	\$200,000.00	\$193,050.00	\$6,950.00
Local Street	454.970000	Construction (LS-03)	\$1,000,000.00	\$966,735.00	\$33,265.00
Facilities	631.974000	Land Improvements (FA-13J)	\$27,000.00	\$19,811.00	\$7,189.00

**RECOMMENDATION:**

It is recommended that City Council award Option 2 contract for the “2012” Concrete Road Slab Replacement Program & Fire Station No. 4 Drive Reconstruction to Galui Construction Company of Clinton Township, Michigan as the lowest, responsive, responsible bidder in the amount of \$1,368,010.00 and authorize the Mayor and Clerk to execute a contract on behalf of the City.

The Department of Public Service also requests City Council authorization of a 10% contingency in the amount of \$136,801.00 to allow for quantity adjustments based on final measurements verified in the field.

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