



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2013-0214

TO: Mayor and City Council Members

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

DATE: June 10, 2013

SUBJECT: "2013" Concrete Road Slab Replacement Program & Livernois Joint Repair Project - City File No. E13-001

REQUEST:

The Department of Public Service recommends awarding the contract for the "2013" Concrete Road Slab Replacement Program & Livernois Joint Repair Project 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 \$2,476,090.00 with a 10% contingency, for Part A, in the amount of \$216,100.30 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 \$2,767,399.50 with a 10% contingency, for Part A, in the amount of \$222,937.50 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 2013.

REASON FOR PURCHASE:

On Tuesday, May 21, 2013, the City received six (6) sealed bids for the "2013" Concrete Road Slab Replacement Program & Livernois Joint Repair Project (bid tabs attached). Of the bids received, Galui Construction Company was the lowest, responsive, responsible bidder. The bid received from Galui Construction Company is 7% below the engineering cost estimate, which is shown on the attached bid tabulation. Work is expected to begin in June 2013 with a completion date scheduled for mid October 2013.

The Scope of Work includes:

Part A – Concrete Road Slab Replacement Program

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

- Avon Tech Park
- Cross Creek
- Cumberland Hills

- Cumberland Woods
- North Fairview Farms
- Rochester Hills Exec. Park
- Tan Industrial Park
- Wildflower

Part B – Livernois Road Joint Repair Project – Avon to North of Walton Blvd

Partial and full-depth joint repairs; placement of aggregate base, concrete pavement removal and replacement; and other miscellaneous items of work.

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:

Part A of the project was identified in the 2013 CIP and is funded in the 2013 Adopted Budget under Major Road Fund / MR-03 [Concrete Slab Replacement] = \$336,250.00; MR-03B [LDFA Road Rehabilitation Program] = \$300,000.00; and Local Street Fund / LS-03 [Local Street Concrete Program] = \$1,872,500.00 for a total of \$2,508,750.00.

Part B of the project is funded in the 2013 Adopted Budget under Major Road Fund / Tri-Party Match for Major Road Improvements = \$250,000. If approved, a forthcoming 2nd Quarter Budget Amendment will be prepared for both the increase in expenditure [+\$65,087] and the corresponding 2/3 increase in revenue reimbursement [+\$210,058].

Option 1 – Award Contract as Bid

The project total is \$2,692,190.30 [\$2,476,090.00 plus a 10% contingency (Part A) of \$216,100.30] split as:

- MR-03 – \$318,531.84 [\$289,574.40 plus a 10% contingency of \$28,957.44]
- MR-03B – \$285,252.40 [\$259,320.36 plus a 10% contingency of \$25,932.04]
- LS-03 - \$1,773,319.06 [\$1,612,108.24 plus a 10% contingency of \$161,210.82].
- MR Tri-Party Project (Livernois) - \$315,087.00

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	\$318,531.84	\$17,718.16
Major Road	452.970000	Construction (MR-03B)	\$300,000.00	\$285,252.40	\$14,747.60
Local Street	454.970000	Construction (LS-03)	\$1,872,500.00	\$1,773,319.06	\$99,180.94

Major Road	452.970000	Construction	\$250,000.00	\$315,087.00	(\$65,087.00) ¹
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¹The Livernois Joint Repair Project is partially funded via Tri-Party Funds. The City will be reimbursed two-thirds of the costs by the RCOC and Oakland County.

Option 2 – Award Contract Utilizing Full Budget Amount

The project total is \$2,767,399.50 plus a 10% contingency (Part A) of \$222,937.50] split as:

- MR-03 – \$328,762.50 [\$298,875.00 plus a 10% contingency of \$29,887.50]
- MR-03B – \$293,150.00 [\$266,500.00 plus a 10% contingency of \$26,650.00]
- LS-03 - \$1,830,400.00 [\$1,664,000.00 plus a 10% contingency of \$166,400.00].
- MR Tri-Party Project (Livernois) - \$315,087.00

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	\$328,762.50	\$11,035.00
Major Road	452.970000	Construction (MR-03B)	\$300,000.00	\$293,150.00	\$6,950.00
Local Street	454.970000	Construction (LS-03)	\$1,872,500.00	\$1,830,400.00	\$33,265.00
Major Road	452.970000	Construction	\$250,000.00	\$315,087.00	(\$65,087.00) ¹

¹The Livernois Joint Repair Project is partially funded via Tri-Party Funds. The City will be reimbursed two-thirds of the costs by the RCOC and Oakland County.

RECOMMENDATION:

It is recommended that City Council award Option 2 contract for the “2013” Concrete Road Slab Replacement Program & Livernois Joint Repair Project to Galui Construction Company of Clinton Township, Michigan as the lowest, responsive, responsible bidder in the amount of \$2,767,399.50 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 \$222,937.50 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.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		

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