



**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: 2011-0132

TO: Mayor and City Council Members
FROM: Paul M. Davis, P.E., Acting Director, Department of Public Services
DATE: March 21, 2011
SUBJECT: “2011” Concrete Road Slab Replacement Program, City File #E11-001

REQUEST:

The Department of Public Service recommends awarding the contract for the “2011” Concrete Road Slab Replacement Program 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 \$966,545.00 with a 10% contingency in the amount of \$96,654.50 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 \$1,189,925.25 with a 10% contingency in the amount of \$118,992.55 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 2011.

REASON FOR PURCHASE:

On Thursday, March 3, 2011, the City received twelve (12) sealed bids for the “2011” Concrete Road Slab Replacement Program (bid tabs attached). Of the bids received, Galui Construction Company was the lowest, responsive, responsible bidder. The bid received from Galui Construction Company is 19.67% below the engineering cost estimate, which is shown on the attached bid tabulation. Work is expected to begin in April 2011 with a completion date scheduled for August 15, 2011.

The Scope of Work for 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. 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 2011 program includes:

- Chichester East
- Falcon Estates 2
- Heatherwood
- Tann Industrial Park
- Thornridge
- Quail Ridge

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 2011 CIP and 2011 Adopted Budget under Major Road MR-03 [Concrete Slab Replacement] - \$336,250.00; MR-03B [LDFA Road Rehabilitation Program] - \$200,000.00; and LS-03 [Local Street Concrete Program] - \$806,230.00 for a total of \$1,342,480.00.

The project total is \$1,063,199.50 [\$966,545.00 plus a 10% contingency of \$96,654.50] split as:

- MR-03 – \$260,781.81 [\$237,074.38 plus a 10% contingency of \$23,707.44]
- MR-03B – \$153,715.16 [\$139,741.05 plus a 10% contingency of \$13,974.11]
- LS-03 - \$648,702.53 [\$589,725.76 plus a 10% contingency of \$58,976.77].

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	\$260,781.81	\$75,468.19
Major Road	452.970000	Construction (MR-03B)	\$200,000.00	\$153,715.16	\$46,284.84
Local Street	454.970000	Construction (LS-03)	\$806,230.00	\$648,702.53	\$157,527.47

Option 2 – Award Contract Utilizing Full Budget Amount

The project total is \$1,308,918.00 [\$1,189,925.25 plus a 10% contingency of \$118,992.55] split as:

- MR-03 – \$327,843.75 [\$298,039.77 plus a 10% contingency of \$29,803.98]
- MR-03B – \$195,000.00 [\$177,272.73 plus a 10% contingency of \$17,727.27]
- LS-03 - \$786,074.25 [\$714,612.95 plus a 10% contingency of \$71,461.30].

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	\$327,843.75	\$8,406.25
Major Road	452.970000	Construction (MR-03B)	\$200,000.00	\$195,000.00	\$5,000.00
Local Street	454.970000	Construction (LS-03)	\$806,230.00	\$786,074.25	\$20,155.75

RECOMMENDATION:

It is recommended that City Council award the Option 2 contract for the “2011” Concrete Road Slab Replacement Program to Galui Construction Company of Clinton Township, Michigan as the lowest, responsive, responsible bidder in the amount of \$1,189,925.25 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 \$118,992.55 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.