



CITY of NOVI CITY COUNCIL

Agenda Item 4
May 18, 2015

SUBJECT: Approval to award a construction contract for the 2015 Chip Seal Program to Highway Maintenance & Construction, the low bidder, in the amount of \$162,935, subject to final review and approval of form of agreement by City Manager's office and the City Attorney.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division *BTC RJA*

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 162,935
AMOUNT BUDGETED	\$ 230,950
LINE ITEM NUMBER	203-203.00-866.500

BACKGROUND INFORMATION:

As part of the City's ongoing asset management approach to maintaining roads, a report that evaluated the City's 6.7 miles of streets that have a chip sealed surface treatment was completed in 2013. (Chip sealing is the application of an asphalt emulsion to seal the road's surface, followed by placement and compaction of small diameter crushed gravel.) The report identified \$806,200 of capital improvements necessary to improve and maintain the chip seal streets in good condition. The attached memo and report provide additional information regarding the evaluation and recommended improvements.

The findings of the report show that a funding level of approximately \$200,000 each year specifically for chip seal capital maintenance should be maintained through the FY2016-17 budget to make the necessary improvements to chip sealed roads to get them back into good condition. The report recommends an annual budget of \$90,000 beginning in FY2017-18 for preventative maintenance, which includes crack sealing and patching in addition to reapplication of chip seal as needed to maintain the roads in good condition.

The scope of the 2015 Chip Seal Program includes capital preventative maintenance, such as drainage improvements, base repair and new chip seal on the following streets:

- Chapman
- Endwell
- Herman
- Lashbrook
- Monticello
- Paramount
- Parklow
- Bernstadt
- Eubank
- Lemay
- Maudlin
- Owenton

One bid was received and opened on May 6, 2015 following a public bid solicitation period. The bidder is Highway Maintenance and Construction. Highway Maintenance's bid is recommended as being in the best interest of the City as it is responsive (i.e., Highway Maintenance has complied with all requirements of the bidding instructions). (URS' award recommendation letter including the bid tabulation dated May 7, 2015 is attached). A summary of the one bid received is as follows:

Contractor	Bid Price (including Crew Days)*
Highway Maintenance & Construction	\$177,015.00

* Crew Days are included to compare bids, but are not included in the award.

Although only one bid was received, staff can recommend award based on the comparison with the engineer's estimate prepared at the time of bid advertisement. Although the bid is approximately 12% over the estimate (excluding crew days), the items with higher unit prices are items that would be constructed as directed by the engineer. Therefore, these quantities could vary depending on what is determined by the engineer in the field. The pay items with the largest quantities are in line with the engineer's estimate.

It is anticipated that this project will be completed by summer/fall 2015. The contractor for this project is the same contractor that was awarded the 2014 Chip Seal Program, which could not be completed last year due to seasonal limitations. The work on both projects will occur simultaneously over this summer.

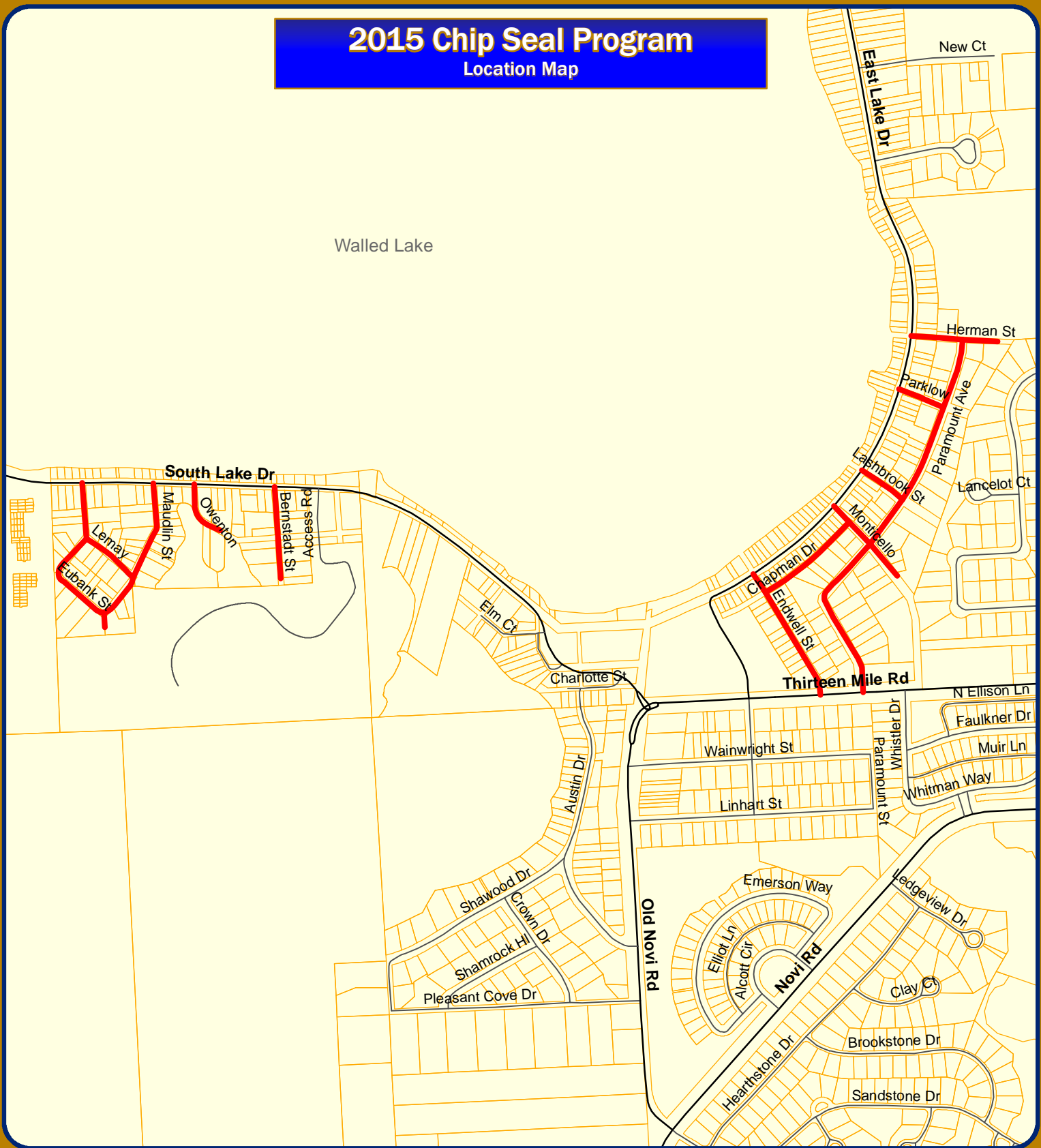
RECOMMENDED ACTION: Approval to award a construction contract for the 2015 Chip Seal Program to Highway Maintenance & Construction, the low bidder, in the amount of \$162,935, subject to final review and approval of form of agreement by City Manager's office and the City Attorney.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Markham				

	1	2	Y	N
Council Member Mutch				
Council Member Poupard				
Council Member Wrobel				

2015 Chip Seal Program

Location Map



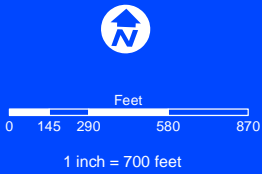
Map Author: Croy
 Date: 1/12/15
 Project: 2015 Chip Seal Program
 Version #: v1.0

MAP INTERPRETATION NOTICE
 Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

Map Legend

2015 Chip Seal Streets

— 2015 Chip Seal Streets



City of Novi
 Engineering Division
 Department of Public Services
 26300 Lee BeGole Drive
 Novi, MI 48375
cityofnovi.org



May 7, 2015

Mr. Ben Croy, PE
City of Novi
Engineering Department
26300 Lee Begole Drive
Novi, MI 48375

Reference: Bid Analysis and Contract Award Recommendation
2015 Chip Seal Program Project
URS Project Number 12944652

Dear Mr. Croy:

Attached is the Bid Tabulation for the above referenced project. One Bid was received and opened. There were no errors or irregularities in the bid received.

The bid amount of \$177,015.00 is higher than the Engineer's Estimate of \$151,247.80. The variation appears to be largely due to high unit prices for the pay items associated with the small portion of roadway reconstruction and drainage improvements included in the project. Many of these quantities are "as directed" and the quantities may be reduced during construction based upon field conditions.

We have worked previously with the low bidder, Highway Maintenance and Construction on other projects for the City of Novi and they have performed well. The bonding company listed in their statement of qualifications has A.M. Best Key rating of "A++", which exceeds the minimum requirements.

We therefore recommend award of the contract to Highway Maintenance and Construction for the Bid Amount, excluding crew day costs, of \$162,935.00.

Please feel free to contact me if you need anything else or wish to discuss the project.

Sincerely,

URS Corporation Great Lakes

A handwritten signature in blue ink that reads "Sean Kelsch".

Sean Kelsch, P.E.
Project Manager

cc: Mark Koskinen, URS

URS Corporation
27777 Franklin Road, Suite 2000
Southfield, Michigan 48034
Tel: 248.204.5900
Fax: 248.204.5901

City of Novi
2015 Chip Seal Program
Tabulation of Bids
Bids Opened 05/06/2015
URS JN 12944952

Item No.	Item Description	Unit	Quantity	Engineers Estimate		Highway Maintenance and Construction	
				Unit Price	Cost	Unit Price	Cost
1	Maintaining Traffic	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 6,000.00	\$ 6,000.00
2	Erosion Control, Silt Fence	Ft	200	\$ 1.50	\$ 300.00	\$ 5.00	\$ 1,000.00
3	Erosion Control, Inlet Prot, Fabric Drop	Ea	6	\$ 250.00	\$ 1,500.00	\$ 250.00	\$ 1,500.00
4	Shoulder, CI II	Ton	15	\$ 40.00	\$ 600.00	\$ 150.00	\$ 2,250.00
5	Aggregate Base, 21AA Crushed Limestone, 8 inch	Syd	313	\$ 16.00	\$ 5,008.00	\$ 35.00	\$ 10,955.00
6	Sewer, CI E, 12 inch, Tr Det B	Ft	121	\$ 50.00	\$ 6,050.00	\$ 50.00	\$ 6,050.00
7	Dr Structure, 24 inch dia	Ea	1	\$ 1,200.00	\$ 1,200.00	\$ 3,500.00	\$ 3,500.00
8	Dr Structure, 48 inch dia	Ea	1	\$ 1,600.00	\$ 1,600.00	\$ 4,800.00	\$ 4,800.00
9	Dr Structure, Tap, 12 inch	Ea	1	\$ 350.00	\$ 350.00	\$ 250.00	\$ 250.00
10	Dr Structure Cover, Type C	Ea	2	\$ 500.00	\$ 1,000.00	\$ 400.00	\$ 800.00
11	Dr Structure Cover, Adj, Case 2	Ea	15	\$ 350.00	\$ 5,250.00	\$ 1,350.00	\$ 20,250.00
12	Reconstruct Drainage Structure	Ft	10	\$ 200.00	\$ 2,000.00	\$ 775.00	\$ 7,750.00
13	Point-up Drainage Structure	Ea	8	\$ 300.00	\$ 2,400.00	\$ 150.00	\$ 1,200.00
14	Underdrain, Subbase, 6 inch	Ft	340	\$ 12.00	\$ 4,080.00	\$ 25.00	\$ 8,500.00
15	Seal, Single Chip	Syd	14,600	\$ 3.00	\$ 43,800.00	\$ 2.40	\$ 35,040.00
16	Seal, Single Chip, Patching	Syd	5,800	\$ 3.50	\$ 20,300.00	\$ 3.00	\$ 17,400.00
17	Seal, Fog	Syd	14,600	\$ 0.60	\$ 8,760.00	\$ 0.65	\$ 9,490.00
18	Spray Patch	Ton	36	\$ 170.00	\$ 6,120.00	\$ 390.00	\$ 14,040.00
19	HMA, 4C	Ton	76	\$ 125.00	\$ 9,500.00	\$ 160.00	\$ 12,160.00
20	Crew Days	Day	640	\$ 12.00	\$ 7,680.00	\$ 22.00	\$ 14,080.00
	Contingency for Estimate				\$ 13,749.80		
	TOTAL BID				\$ 151,247.80		\$ 177,015.00
	Contract Award Amount (Excludes Crew Day Item)						\$ 162,935.00

Only One Bid Received and Opened.

Reviewed and Certified Correct:

Tara Weise, PE
URS Corporation

BID
2015 Chip Seal Program Project

Bid of HIGHWAY MAINTENANCE & CONSTRUCTION hereinafter called Bidder, organized and existing under the laws of or a resident of the State of Michigan, doing business as A CORPORATION.*

Insert as applicable: "a corporation", "a partnership" or "an individual".

TO THE CITY OF NOVI, MICHIGAN, hereinafter called OWNER:

The undersigned as Bidder hereby declares: that this Bid is made in good faith without fraud or collusion with any person or persons bidding on the same Contract; that the Bidder has read and examined the Advertisement for Bids, Instructions to Bidders, Bid, General Conditions, Supplementary Conditions, Agreement, Forms of Bond, Specifications and Drawings, as prepared by the ENGINEER, and understands all of the same; that the Bidder of its representative has made personal investigation at the site and has become fully familiar with regard to the conditions to be met in the execution of this Contract, and the undersigned proposes to furnish all labor, materials, tools, power, transportation, and construction equipment necessary for the construction of the Project and performing related work in full accordance with the aforesaid Contract Documents, including any and all Addenda officially issued, their receipt of which is hereby acknowledged:

Addendum No.	Addendum Date
_____	_____
_____	_____

The Contract will be awarded to the lowest responsive, responsible Bidder based on the unit prices for all Work specified.

The Bidder agrees to complete the Project for the following unit prices:

BASE BID

Item No.	Item Description	Unit	Quantity	Unit Price	Total Price
1	Maintaining Traffic	LS	1		\$ 6,000 ⁻
2	Erosion Control, Silt Fence	Ft	200	5 ⁰⁰	1,000 ⁻
3	Erosion Control, Inlet Prot, Fabric Drop	Ea	6	250 ⁰⁰	1,500 ⁻
4	Shoulder, CI II	Ton	15	150 ⁰⁰	2,250 ⁻
5	Aggregate Base, 21AA Crushed Limestone, 8 inch	Syd	313	35 ⁰⁰	10,955 ⁻
6	Sewer, CI E, 12 inch, Tr Det B	Ft	121	50 ⁰⁰	6,050 ⁻
7	Dr Structure, 24 inch dia	Ea	1	3500 ⁰⁰	3,500 ⁻
8	Dr Structure, 48 inch dia	Ea	1	4800 ⁰⁰	4,800 ⁻



CITY OF NOVI
 Rev 3/12/15

2015 Chip Seal Program Project

BASE BID

Item No.	Item Description	Unit	Quantity	Unit Price	Total Price
9	Dr Structure, Tap, 12 inch	Ea	1	250 ⁰⁰	250 ⁻
10	Dr Structure Cover, Type C	Ea	2	400 ⁰⁰	800 ⁻
11	Dr Structure Cover, Adj, Case 2	Ea	15	1350 ⁰⁰	20,250 ⁻
12	Reconstruct Drainage Structure	Ft	10	775 ⁰⁰	7,750 ⁻
13	Point-up Drainage Structure	Ea	8	150 ⁰⁰	1,200 ⁻
14	Underdrain, Subbase, 6 inch	Ft	340	25 ⁰⁰	8,500 ⁻
15	Seal, Single Chip	Syd	14,600	2 ⁴⁰	35040 ⁻
16	Seal, Single Chip, Patching	Syd	5,800	3 ⁰⁰	17,400 ⁻
17	Seal, Fog	Syd	14,600	0.65	9490 ⁻
18	Spray Patch	Ton	36	390 ⁰⁰	14,040 ⁻
19	HMA, 4C	Ton	76	160 ⁰⁰	12,160 ⁻
14	Crew Days	Day	22	\$640.00	14,080 ⁻
TOTAL BASE BID:				\$	177,015.00

Bidders must provide unit prices for all items and a quantity for the Crew Day Item.

The City's intent is to award to the lowest responsible bidder. Funding for the project is limited and the City may elect to eliminate roadways from the contract, reduce the length of roadways included in the project, or potentially add roadways with similar work to the project in order to match the available budget.

If the foregoing Bid shall be accepted by the OWNER, the undersigned agrees to enter into the attached form of Agreement within ten (10) days after receiving notice of such acceptance, will furnish the OWNER satisfactory bonds and certificates of insurance coverage, and will complete the Project, at the price and within the time stated in this Bid.

The undersigned further agrees that if the foregoing Bid shall be accepted, work will commence immediately after the Contract has been awarded, the Agreement executed, and a Notice to Proceed received.

Substantial Completion shall be no later than August 3, 2015.

Final Completion shall be no later than August 17, 2015.



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2015 Chip Seal Program Project

The undersigned attaches hereto its Bid security, as required by the Advertisement for Bids and Instructions to Bidders. The undersigned agrees that in case it shall fail to fulfill its obligations under the foregoing Bid, and/or shall fail to furnish bonds, as specified, the OWNER may, at its option determine that the undersigned has abandoned its rights and interests in such Contract and that its Bid security accompanying its Bid; has been forfeited to the said OWNER, but otherwise the Bid security shall be returned to the undersigned upon the execution of the Contract and the acceptance of the bonds.

The undersigned also agrees that for each and every calendar day that he may be in default of any of the completion dates listed above, the OWNER will suffer a damage of Six Hundred Dollars (\$600.00) per day, and said OWNER shall be compensated therefore at the rate as liquidated damages in accordance with the Agreement.

In submitting this Bid, it is understood that the right is reserved by the OWNER to accept any bid, to reject any or all Bids, and to waive irregularities in bidding in the interest of the OWNER.

SUBMITTED on 5/6/15
Date*

P.O. BOX 74411
Street*

ROMULUS, MI 48174-0411
City, State, ZIP*

734 941-8885
Telephone Number*

734 941-8962
Facsimile Number*

BY: HIGHWAY MAINTENANCE & CONSTRUCTION
Name of Bidder*

[Signature]
Signature

JEFFREY S. DEMEK
Name and Title of Signatory*
PRESIDENT

*Typed or printed in ink.



BIDDER'S QUALIFICATION AND EXPERIENCE STATEMENT

The OWNER will require supporting evidence regarding Bidder's Qualifications and competency. The Bidder will be required to furnish all of the applicable information listed below, which must be submitted with the sealed Bid at the time of Bid Opening. The Qualifications and Experience Statement must be typewritten and signed in ink.

A fill-in-the blank version of this form is available for your convenience on the City of Novi's website (www.cityofnovi.org) under Forms & Permits/Engineering.

QUALIFICATIONS AND EXPERIENCE STATEMENT

The undersigned certifies under oath that the information provided herein is true and sufficiently complete so as not to be misleading.

Submitted to: NOVI ENGINEERING

Address: 26300 LEE BEGOLE DR, NOVI, MI 48375

Submitted by: JEFFREY S. DEMEK

Name: HIGHWAY MAINTENANCE & CONSTRUCTION

Address: P.O. BOX 74411

City, State, ZIP ROMULUS, MI 48174-0411

Telephone Number: 734 941-8885 Fax Number: 734 941-8962

Principal Office: _____

Corporation: _____ Joint Venture: _____

Partnership: _____ Other: _____

Individual: _____

Name of Project: 2015 CHIPSEAL PROGRAM

Type of Work (file separate form for each classification of work):

General: _____ Roadway Rehabilitation: _____

Underground Construction: _____

Other: CHIPSEAL (Please Specify)



Organization

How many years has your organization been in business as a CONTRACTOR?

43 YEARS

How many years has your organization been in business under its present business name?

43 YEARS

Under what other business names has your organization operated?

If your organization is a corporation, answer the following:

Date of Incorporation: MAY, 1972

State of Incorporation: MICHIGAN

President's Name: JEFFREY S. DEMEK

Vice President's Name: _____

Secretary's Name: SANDRA L. DEMEK

Treasurer's Name: CARL E. DEMEK

If your organization is a partnership, answer the following:

Date of Organization: _____

Type of Partnership: _____

Names of General Partners: _____

If your organization is individually owned, answer the following:

Date of Organization: _____

Name of OWNER: _____

If the form of your organization is other than those listed above, describe it and name the principals:



Licensing

List jurisdictional and trade categories in which your organization is legally qualified to do business, and indicate registration or license numbers, if applicable:

Road Construction & Repair - # 01230

List jurisdiction in which your organization's partnership or trade name is filed:

State of Michigan
State of Ohio

Experience

List the categories of work that your organization normally performs with its own forces:

Chip Seal. Fog Seal. Slurry. Overband Crackfill
Amz Dust Control

On a separate sheet, list major construction projects your organization has in progress. List the name of project, owner, architect/engineer, contract amount, percent complete, and scheduled completion date.

On a separate sheet, list the major construction projects your organization has completed in the past five (5) years. List the name of the project, owner, architect/engineer, contract amount, date of completion, and percentage of the cost of the work performed with your own forces.

On a separate sheet, list the construction experience and present commitments of the key individuals of your organization who would be employed in the Work.

Claims and Suits

If the answer to any of the questions below is yes, please attach details.

Has your organizations ever failed to complete any work awarded to it? NO

Are there any judgments, claims, arbitration proceedings or suits pending or outstanding against your organization or officers? NO



2015 Chip Seal Program Project

Has the City of Novi filed a claim on any contract within the prior three years which asserted that your organization:

1) failed to perform as required by the contract?

_____ YES X NO

2) completed contracted work in an untimely manner causing delays and interference;

_____ YES X NO

3) lacked financial resources and the ability to satisfactorily perform the contract or provide the services or supplies;

_____ YES X NO

4) exhibited poor quality of performance or completed work under the contract;

_____ YES X NO

5) failed to comply with laws and ordinances relating to the contract performance;

_____ YES X NO

6) defaulted on its quotations or prices;

_____ YES X NO

References

Entity	Contact Name	Phone
<i>Trade References</i>		
1. Asphalt Materials	William Payne	317.228.8459
2. Stone Co.	Susan Foote	734.587.2601
3. Romulus Hardware		734.941.0323
<i>Bank References</i>		
1. PNC Bank	John McCurdy	734.664.7417
2.		
3.		
<i>Surety</i>		
Philadelphia Indemnity Ins		



2015 Chip Seal Program Project

Name of Bonding Company: McNish

Name of Bonding Agent: Margaret Kohloff

Address of Bonding Agent: 2423 Woodward Ave Ste 200
Royal Oak, Mi 48067

SUBMITTED on 5/4/15
Date*

*Typed or printed in ink.

BY: Highway Maintenance & Construction Co.
Name of Bidder*

[Signature]
Signature

Jeffrey S Demek, President
Name and Title of Signatory*

Jeffrey S Demek being duly sworn deposes and says that the information provided herein is true and sufficiently complete so as not to be misleading.

Subscribed and sworn before me this 4 day of May 2015

Notary Public: Rebecca A Smith

My Commission Expires: 07.17.2017

IF THIS INFORMATION IS NOT SUBMITTED WITH THE SEALED BID AT THE TIME OF BID, THE BID WILL BE CONSIDERED INCOMPLETE.

