City of Birmingham
A Walkable Community

MEMORANDUM

Engineering Department

DATE: **July 15, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Paul T. O'Meara, City Engineer**

SUBJECT: **Hamilton Alley Paving Project**
Contract #9-15(P) Contract Award

Bids were opened on the above project on June 18, 2015. Three bids were received, as listed on the attached summary. The low bidder was Merlo Construction, with their bid of $325,880. The engineer's estimate was $330,000.

As discovered during the bid opening, there was an inconsistency with the low bidder's submittal. On projects of this nature, the Engineering Dept. routinely implements a prequalification process. All interested bidders are asked to submit a form answering several questions about their ability to complete the work, and who they intend to hire as a subcontractor. The form is required to be submitted about three days in advance of the bid opening, to give our office time to review and respond to the submittals. During the bidding period, only two prequalification forms were received and approved. Therefore, a maximum of two bids were expected. The low bidder's package included the prequalification form completed in a manner that would have allowed it to be approved, but it had never been submitted. In discussing the issue with the low bidder Merlo, they noted that they had never submitted a bid to Birmingham before, and missed the instructions relative to the prequalification form early submittal requirement.

Although they have never worked for Birmingham, a review of Merlo's history demonstrates that they have completed many similar or larger projects of varying complexity, and their references indicate that they are fully qualified to do this type of work. Given that they appear capable, and given that the second low bidder is significantly higher priced, we recommend that this inconsistency relative to the bid submittal be waived, and that the low bidder's price be accepted.

The project will include complete combined sewer and sanitary lead replacement, as well as new enhanced concrete pavement on the 18 foot wide alley extending from Hamilton Ave. to Park St., matching the conceptual plans previously approved by the City Commission, and attached to this report. Special amenities included in this project include the new "Via" theme wayfinding signs to be attached to street lights, and dumpster screens to be installed at three different locations where dumpsters in the alley currently sit.

The cost of the project will be charged to the following accounts:

Sewer Fund	590-536.001-981.0100	$ 85,095.00
Hamilton Alley Special Assessment	101-444.002-985.7100	$240,785.00
TOTAL		$325,880.00

The City will also contribute to the district costs for the three properties it owns. Using the charges based on this contract, the two passageway properties will be charged to the General Fund, while the Parking Lot #9 frontage will be charged to the Parking Fund:

General Fund Assessments	$ 6,934.08
Auto Parking System Fund Assessment	$16,578.23
TOTAL	$23,512.31

If the City Commission determines to modify the amounts of the special assessment confirmation roll as needed to work with this contractor, the Engineering Dept. recommends waiving the contract requirement that a prequalification statement be approved in advance of the bid opening, and awarding the Hamilton Alley Paving Project, Contract #9-15(P), to Merlo Construction Co. Since this project was not budgeted, a budget amendment is also recommended.

SUGGESTED RESOLUTION:

To award the Hamilton Alley Paving Project, Contract #9-15(P), to Merlo Construction Co., of Milford, MI, in the amount of $325,880 to be funded as follows:

Sewer Fund	590-536.001-981.0100	$85,095.00
Hamilton Alley Special Assessment	101-444.002-985.7100	$240,785.00
TOTAL		$325,880.00

Further, to approve the appropriations and budget amendments as follows:

Sewer Fund

Revenues:	
Draw from Net Assets #590-000.000-400.0000	$85,095
Total Revenue Adjustments	$85,095
Expenditures:	
Public Improvements #590-536.001-981.0100	$85,095
Total Expense Adjustments	$85,095

General Fund

Revenues:	
Draw from Fund Balance #101-000.000-400.0000	$240,785
Total Revenue Adjustments	$240,785
Expenditures:	
Public Improvements #101-444.002-985.7100	$240,785
Total Expenditure Adjustments	$240,785

CITY OF BIRMINGHAM

HAMILTON ALLEY RECONSTRUCTION

CONTRACT #9-15(P)

BID SUMMARY

June 18, 2015 - 9:00 AM

Company Name	Addenda No.	5% Bid Security	Total Bid
Merlo Construction Co.	N / A	Bond	$325,880.00
ADJ Excavating, Inc.	N / A	Bond	$562,460.00 *
DiPonio Contracting, Inc.	N / A	Bond	$601,005.00
* = Adjusted by Engineering Dept.			