



TO: Mayor and Council

FROM: Milton Dohoney Jr., Interim City Administrator

CC: John Fournier, Assistant City Administrator
Nick Hutchinson, City Engineer
Marti Praschan, CFO
Brian Steglitz, Interim Public Services Area Administrator

SUBJECT: May 5, 2022 Council Agenda Responses

DATE: April 28, 2022

CA-15 – Resolution to Award a Construction Contract to Cadillac Asphalt, LLC (RFP No. 22-26, \$6,930,000.00) for the 2022 Street Resurfacing Project, and to Appropriate \$500,000.00 from the Stormwater Fund, \$60,000.00 from the Local Street Fund, \$30,000.00 from the Sewage Disposal Fund, \$66,400.00 from the Water Supply System Fund and \$15,000.00 Sidewalk Construction Millage Fund (8 Votes Required)

Question: As it relates to CA-15 (and actually several other contracts on the agenda, but CA-15 is the big one), the information provided does not feel sufficient for Council to fulfill its true oversight responsibility in evaluation of this contract.

As we've transitioned to a new contract scoring model, I would like to make a standing request that we be as transparent as possible in our public evaluation of bids by publishing a bid scoring chart for both Council & public review — especially as we evaluate if this is truly the best weighting of criteria before formally codifying it.

My understanding from past conversations is that the following categories would be scored (with several sub-categories within them). The criteria I've seen was actually quite comprehensive & specific, and should instill confidence that the city is receiving the best value in contracts.

- Qualifications, Experience & Accountability (20%)
- Workplace Safety (20%)
- Workforce Development (20%)
- Social Equity & Sustainability (20%)
- Schedule of Pricing/Cost (20%)

For this and all future contracts, can a breakdown of at least the top 3 bidders scores actually be provided with the agenda for Council review and public consumption — this also should make it apparent where some bidders have deficits, so they know where to make improvements if they want to do work in Ann Arbor? (Councilmember Radina)

Response: The breakdown of scores by category for this procurement has been provided as an attachment to this agenda response memo. City Council previously passed resolution [R-18-479](#), which requires staff to provide certain information to City Council regarding the selection of bidders. Any future changes to the reporting of information related to contracts procured under the best value method must be made via resolution to amend prior City Council direction. Notably, the existing resolution requires that the numerical scoring breakdown of bids be provided to City Council, and we will make sure that this occurs with consistency moving forward.

CA-16 – Resolution to Award a Construction Contract to Doan Construction Co. for the 2022 Sidewalk Gap Elimination Project (\$446,858.15)

Question: I am curious about the process of notification (or engagement with) residents in situations like the ones listed here, filling sidewalk gaps. E.g. Google street-view looks like the property at 1320 Prescott has a mature tree in the middle of where a sidewalk would go. Does the City have a plan for that specific location, other than chopping down the tree? Generally, does the City talk to residents ahead of designing these sidewalk gap projects? Is there any discretion, in situations like this, shifting a sidewalk over to accommodate a tree? (I know that the sidewalk on Scio Church makes some deters to accommodate trees) (Councilmember Nelson)

Response: During the design phase of the project, Engineering develops concepts, taking into consideration multiple factors, such as property line locations, natural features (trees, waterways, wetlands, floodplains), above ground utilities (hydrants, utility poles, guy wires), at grade utilities (catch basins, hand holes), grading and drainage, ADA requirements, and road, driveway and railroad crossings. Staff explores every feasible alternative to avoid trees and other natural features, however it is not always possible. Included in the due diligence is involvement of the City Forester to assess tree conditions and durability. Upon completion of conceptual alignments, a project introduction letter is prepared unique to each property citing the circumstances and inviting the owner to engage in discussion regarding the location of the sidewalk as well as the potential need for temporary or permanent easements.

The specific plan for 1320 Prescott is to locate the sidewalk in its standard location, which is 1' inside the right-of-way. The sidewalk will be approximately 2.5' from the edge of the Silver Maple tree. Silver Maple trees tend to be fairly tolerant to disturbance within the dripline. A letter was mailed (and emailed) to the property owner, and no response was received.

Based on a lack of response by the property owner who owns 710 W. Stadium, the Sugar Maple tree on Hutchins will be removed for the installation of sidewalk, as Sugar Maple trees do not withstand disturbance well and often have significantly reduced lifespans upon nearby disturbance. Modifications to this design could be made through future engagement (and obtaining easements) from the adjacent property owner.

CA-17 – Resolution to Approve a Debt Service Agreement with the Downtown Development Authority for a Contribution to the 350 S. Fifth Avenue Debt Service

Question: How were the amounts/percentages negotiated for this agreement? Are arrangements like this negotiated on a case by case basis or is there any policy that defines a requirement for DDA contribution to affordable housing downtown? If not, has such a policy ever been considered? (Councilmember Nelson)

Response: The DDA's contribution is 1/3 of the total annual debt service on the property. Originally this agreement contemplated splitting the debt service equally three ways among the City, the DDA, and the Ann Arbor Housing Commission (AAHC), with the AAHC's contribution coming from the affordable housing millage funds. However, it was later determined that the affordable housing millage funds could not be used for the payment of debt service due to the specific use restrictions in the millage language. Therefore, the AAHC was removed from the agreement, but the DDA's contribution remained at 1/3 of the total debt service.

This type of agreement is negotiated on a case-by-case basis. This may be the first of its kind with the DDA contributing to repayment of city debt on city property.

There is no written policy that defines a requirement for DDA contributions to affordable housing downtown. We are not aware of any past considerations for developing such a policy. The City Code, Chapter 7 Section 1:156(e) (below), requires that the DDA budget \$300,000 annually toward affordable housing downtown. In general, the DDA works closely with the City and AAHC to evaluate the housing projects that will have the greatest impact.

Chapter 7 Section 1:156(e):

Tax increment financing seed funds for the Housing Fund shall be budgeted effective tax year 2016 at an amount no less than \$300,000.00. Every year thereafter the minimum amount budgeted shall be adjusted at the same rate of increase as the increase in the total TIF capture. The funds deposited in the DDA housing fund are to be spent on planning, development and improvement of

housing in the near downtown area affordable to residents with incomes at or below 60% of the Area Median Income (AMI), as published by HUD and consistent with the Washtenaw County Office of Community and Economic Development (OCED) affordable housing needs assessment, as updated from time to time. Nothing in this section shall be interpreted to limit the DDA ability to invest more than \$300,000.00 toward housing for low-income residents. Nor does it limit DDA ability to invest in development of additional housing affordable to residents at a diverse range of income levels.

DC-1 – Resolution to Approve Industrial Facilities Exemption Certificate between the City of Ann Arbor and Sartorius BioAnalytical Instruments

Question: Regarding the alignment between the Sartorius project and the City's A2Zero Strategies, 1) what is Sartorius proposing to do that goes beyond measures already required by code? 2) and is additional since the project was originally submitted? (Councilmember Disch)

Response: The attached document identifies which efforts are above minimum code requirements. The extent of solar has expanded since original submittal.

Construction Proposal Evaluation Results

Project Name:

Street Resurfacing Project - 2022

RPF No.

22-26

Date:

April 4, 2022

Part A - Qualifications, Experience, & Accountability - 20 pts

Ajax Paving
Industries, Inc.

Cadillac Asphalt,
LLC

18

15

Part B - Workplace Safety - 20 pts

13

17

Part C - Workforce Development - 20 pts

20

14

Part D - Social Equity & Sustainability - 20 pts

8

19

Part E - Schedule of Pricing/Cost - 20 pts

18.1

20.0

TOTAL SCORE:

77.1

85.0

Sartorius Sustainability Efforts

Green text indicates a provision above minimum requirements by city code or brownfield policy.

- The site is a Brownfield
 - A 1960s functionally obsolete building as deemed by the city assessor was demolished to make way for the new building.
 - The site was environmentally contaminated - all was remediated on demolition
- The Brownfield will create a \$1.1M + contribution by Sartorius to the Ann Arbor Affordable housing fund
- The site is constructed to LEED Gold new construction, the highest possible standard that can be met for a facility of this type/ location.
- Geothermal was investigated but deemed to not be functional in a laboratory facility that needs a significant amount of air changes, the resulting building would not be functional with a stand alone geothermal system.
- A 150kW Solar array was planned originally but is now being expanded to 200kW ,it is the max roof capacity possible at this stage- excess land is currently being planned for additional expansion of buildings and makes ground mounted solar not feasible.
- A complete EV charging system is being installed - 75 spaces with 75 additional prepped for expansion
- The design is being completed for above and beyond current energy code
- A complete stormwater management system is being developed at the site in which none has existed in the past which has created neighborhood wide flooding issues
- 750' of new 12" water main is being installed for community wide benefit.
- Onsite amenities such as food truck area will minimize off site traffic at the campus
- Installation of sidewalks throughout the site in addition to neighboring property will allow for safe pedestrian traffic out to State St
- Sartorius has sustainability as its highest initiative in corporate responsibility.
<https://www.sartorius.com/en/company/corporate-responsibility>