



## Legislation Text

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**File #:** 13-0710, **Version:** 1

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Resolution to Award a 2-Year Contract to Margolis Companies, Inc. for the Purchase, Delivery and Planting of Trees, and for Tree and Stump Removal along City Street Rights-of-way (\$509,125.00; Bid No. ITB-4281)

Your approval is requested to award a two-year Contract to Margolis Companies, Inc., in the amount of \$509,125.00 for the purchase, delivery, and planting of trees along City street rights-of-way including a one-year guarantee, and for the removal of trees and their resulting stumps in preparation for tree planting.

The contract is to plant 1,750 trees along City street rights-of-way within the City of Ann Arbor; 750 trees in Fiscal Year 2014 and 1000 trees in Fiscal Year 2015. The contract also includes the removal of 100 dead/dying City street trees and their resulting stumps to allow for replanting in these areas during FY14. Trees decrease the quantity of stormwater runoff and improve the quality of the run-off that reaches local lakes and streams. Ann Arbor's public trees intercept 65 million gallons of stormwater each year (Source: City of Ann Arbor i-Tree Streets Analysis, 2009).

A tree planting plan was developed focusing on areas with at least one of the following: low canopy cover; large areas of impervious surfaces; significant impact by the emerald ash borer; or, an aging tree canopy. The tree planting plan, which was included as part of ITB-4281, is attached. Bid documents and specifications were distributed electronically to contractors and suppliers. Three bids were received and opened on May 3, 2013. Margolis Companies, Inc., with a bid of \$509,125.00, was the lowest responsible bidder.

The total project costs including city labor to inspect and manage the contract is estimated to be \$581,658.00. The resolution establishes a 5% project contingency in the amount of \$25,456.25 for a contract not-to-exceed \$534,581.25. This work is being funded by the Approved Stormwater Capital Budget.

This project was included on the Project Priority List for State Revolving Fund (SRF) loan funding, which may include up to 50% loan forgiveness. The Washtenaw County Water Resources Commissioner (WCWRC) has secured this low interest rate loan on behalf of the City which will reimburse the City's Stormwater Fund for its share of the project. The WCWRC will be assessing the City over a maximum of 20 years with annual installments not to exceed \$36,987.00. The first payment is included in the approved FY14 Stormwater Fund Operations and Maintenance Budget.

Margolis Companies, Inc. received Human Rights approval on June 11, 2012 and complies with the Living Wage ordinance.

Prepared by: Kerry Gray, Urban Forest & Natural Resource Planner, Public Services

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, the Public Service Area has a goal of planting up to 1,000 street trees per fiscal year;

Whereas, Bids were received by the Procurement Unit on May 3, 2013 and Margolis Companies, Inc. of Ypsilanti, Michigan was the lowest responsible bidder at \$509,125.00;

Whereas, The contractual proposal sets forth the services to be performed by said company and the payments to be made by the City therefore, all of which are agreeable to the City;

Whereas, It is now necessary to enter into a contract with said company for said tree purchasing, planting and tree/stump removal project;

Whereas, Margolis Companies, Inc. has received Human Rights approval on June 11, 2012 and complies with the Living Wage ordinance;

Whereas, the total project costs are estimated to be \$581,658.00 and funding is available in the approved Stormwater Capital Budget without regard to fiscal year;

Whereas, a low-interest SRF loan has been secured through the Washtenaw County Water Resources Commissioner for the project, which may include up to 50% loan forgiveness;

Whereas, proceeds from the SRF loan will reimburse the City's Stormwater Fund; and

Whereas, the SRF debt payment is included in the approved FY14 Stormwater Operations and Maintenance Budget;

RESOLVED, That a contract in the amount of \$509,125.00 be awarded to Margolis Companies, Inc. for the purchase, delivery and planting of trees along City street rights-of-way (Bid No. ITB-4223);

RESOLVED, That a contract contingency in the amount of \$25,456.25 be established and the City Administrator be authorized to approve change orders to the contract with Margolis Companies, Inc., not to exceed \$25,456.25 in order to satisfactorily complete this project;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said contract after approval as to form by the City Attorney and approval as to substance by the City Administrator; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.