



## Legislation Text

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**File #:** 16-0825, **Version:** 1

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Resolution to Approve Change Order #1 to the Construction Contract with Bailey Excavating, Inc. for Water Main Extension on South Division Street (\$395,507.00)

Attached for your review and approval is a resolution to approve a change order to the Observatory Street Improvements Project construction contract with Bailey Excavating, Inc. in the amount of \$395,507.00 for the construction of a water main extension on South Division Street at East Jefferson Street.

In February and April of 2016, South Division Street Resurfacing between Packard and West Huron, which included the construction of 120 feet of new 12-inch water main, was let for bid. Both times the bids returned were much higher than anticipated. Based on conversation with bidders, staff determined that the small scope of underground work likely made the project undesirable for underground contractors, and paving contractors were not interested in being the prime contractor on a project that included water main work. Removal and replacement of the pavement section consisting of concrete overlaid with asphalt also increased the cost of the water main work.

Based on the bid prices received, staff decided to postpone the resurfacing work on South Division for 2016, and include that work in the 2017 Resurfacing Project; while proceeding with the water main work in 2016 as a separate project. In order to expedite this work and obtain reasonable bid prices, the City opted to solicit quotes from several underground contractors currently under contract with the City for 2016 water main work.

Three contractors submitted quotes for the work, and Bailey Excavating, Inc., the contractor on Observatory Street Improvements Project, submitted the lowest price of \$395,507.00. Bailey will begin the work upon completion of the water main construction on Observatory Street, and will start the work after the Art Fair. Bailey Excavating, Inc. complies with the City's living wage and non-discrimination ordinances.

### Budget Impact

Funding for this change order is available in the approved Water Fund capital budget.

Prepared by: Nicholas Hutchinson, P.E., City Engineer

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, It is desirable to complete the extension of a 12-inch water main in South Division Street, north of Jefferson prior to the 2017 resurfacing of South Division Street;

Whereas, The Division Street Resurfacing Project, which originally included the water main work, was let for bids twice and received bids significantly higher than anticipated;

Whereas, Underground contractors with current contracts with the City, with project schedules that would facilitate extra work, were solicited for quotes and Bailey Excavating, Inc. of Jackson, MI, submitted the lowest quote of \$395,507.00;

Whereas, Bailey Excavating, Inc. complies with the City's living wage and non-discrimination ordinances; and

Whereas, It is now necessary to issue a change order to add this work to the contract with Bailey Excavating, Inc. for the addition of the water main construction in Division Street;

RESOLVED, That Change Order #1 to the Observatory Street Improvements Project construction contract with Bailey Excavating in the amount of \$395,507.00 be approved for water main installation work on South Division Street;

RESOLVED, That an additional contingency amount of \$40,000.00 be established within the project budget and that the City Administrator be authorized to approve additional change orders to the construction contract with Bailey Excavating, Inc. not to exceed \$40,000.00 in order to satisfactorily complete this project;

RESOLVED, That the City makes the following declaration for the purposes of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the project with proceed of bonds;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said Change Order #1 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 including approval of needed Traffic Control Orders, night work authorizations, and other similar administrative approvals to allow the work of the project to proceed without delay.