



## Legislation Text

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**File #:** 09-0663, **Version:** 2

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Resolution to Approve Amendment No. II to a Professional Services Agreement with Parsons-Brinckerhoff Michigan, Inc., for the Huron Parkway Bridge Painting and Huron Parkway/Geddes Avenue Intersection Improvements Project (\$84,049.68)

Attached for your review and approval is a resolution that will approve Amendment No. II to our Professional Services Agreement with Parsons-Brinckerhoff Michigan, Inc. (PBM) in the amount of \$84,049.68 for project management, professional engineering, and construction inspection services performed in conjunction with the subject project.

During the course of the project, it became necessary to add additional services to our agreement with PBM in order to respond to claims that the Contractor made regarding the performance of the structural steel repairs associated with the construction of the project.

On November 19, 2008 the Contractor submitted their final claim package for the needed steel repairs. The Contractor had submitted claim packages prior to this date, but we found them to be incomplete and we requested additional information from the Contractor.

Upon thorough review of the submitted material, we disagreed with the Contractor's analysis of the claim and rejected it. Due to the volume of material submitted and the manner in which it was prepared, it was difficult and time-consuming to analyze the package and prepare the needed response(s.) Staff from the Project Management Services Unit and PBM met with MDOT staff on several different occasions to discuss the claim.

Upon our rejection of the claim, the Contractor appealed our decision to MDOT's Regional Office in Jackson, Michigan. The MDOT Regional Office then undertook the review of this matter. We met with both MDOT and the Contractor on two occasions regarding this claim. Recently, the Regional Office suggested that we attempt to negotiate with the Contractor to settle this matter. To this end, we have begun negotiations with the Contractor.

Based on our analysis and discussions with MDOT we believe the true value of the work performed by the Contractor is substantially less than the requested amount. We are cautiously optimistic that we can resolve this matter with the Contractor.

MDOT is responsible for about 80% of the final value of the construction costs associated with this claim. We are responsible for the remaining 20% of the construction costs and our engineering expenses in resolving this matter. If we cannot resolve this claim with the Contractor, the claim will continue through the MDOT claim process. The Claim Process is three tiered. We are currently at the final stage of the second tier of the process.

This amendment will compensate PBM for their efforts in analyzing this claim, preparing the necessary responses to the Contractor's claim packages, and assisting us in resolving this matter.

Pursuant to this claim, PBM has provided the following additional services: Initial construction engineering services required to analyze/resolve the Contractor's steel repair claim; preparation for the MDOT Regional Office Review Meetings; attend the Regional Office Review Meetings; respond to additional information requests by MDOT's Regional Office as a follow-up to the Regional Office Review Meeting; and, respond to additional information provided by the Contractor after the submittal of the claim package.

Amendment No. I to our agreement with PBM was approved by you on May 5, 2008 and was in the amount of \$128,641.54. Amendment No. II will cover all costs incurred by PBM to date as they relate to this project and the MDOT claim process that has occurred thus far.

Funds for this work were included in the approved FY 2010 Street Millage Capital Fund Budget.

PBM has received the necessary human resources approval and pays its employees a living wage.

Prepared by: Homayoon Pirooz, P.E., Manager, Project Management

Reviewed by: Sue F. McCormick, Area Administrator, Public Services

Approved by: Roger Fraser, City Administrator

Whereas, Parsons Brinckerhoff Michigan, Inc., (PBM) was awarded a contract on April 16, 2007 (R-157-4-07) to provide essential professional construction engineering and project management services for the Huron Parkway Bridge Painting and Huron Parkway/Geddes Avenue Intersection Improvements Project;

Whereas, Amendment No. I to the agreement with PBM was approved by Council on May 5, 2008 (R-08-0372) to provide additional essential construction engineering and project management services for the subject project;

Whereas, Additional construction engineering and project management services are needed to complete the project;

Whereas, It is necessary to amend PBM's existing professional services agreement to include the additional services in the amount of \$84,049.68 to complete the project in accordance with City of Ann Arbor and Michigan Department of Transportation standards;

Whereas, Funds for the work is included in approved FY 2010 Street Millage Capital Fund Budget; and

Whereas, PBM has received Human Rights approval on June 11, 2009 and pays its employees a living wage;

RESOLVED, That Council approve Amendment No. II to the Professional Services Agreement with Parsons Brinckerhoff Michigan, Inc. in the amount of \$84,049.68 for the Huron Parkway Bridge Painting and Huron Parkway/Geddes Avenue Intersection Improvements Project;

RESOLVED, That the City Administrator be authorized to approve amendments to the professional services agreement up to \$12,509.55 in order to satisfactorily complete the project in accordance with MDOT Standards. The funds for these amendments will come from the approved FY 2010 Street Millage Capital Fund Budget;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute said amendment 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 all necessary administrative actions to implement this resolution.