



Legislation Details (With Text)

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<b>Type:</b>	Resolution	<b>Status:</b>			Passed
<b>File created:</b>	4/20/2026	<b>In control:</b>			City Council
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<b>Enactment date:</b>	4/20/2026	<b>Enactment #:</b>			R-26-132

**Title:** Resolution to Approve a Construction Contract with E.T. MacKenzie Company for the North University and Thayer Improvements Project (RFP 26-11; \$6,760,000.00) and to Appropriate \$7,673,000.00 in Contributing Funds and to Approve Cost Allocation Agreements (8 Votes Required)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. North University-Thayer St Map.pdf, 2. N University and Thayer - Construction Contract\_ Draft\_03-03-26.pdf

Date	Ver.	Action By	Action	Result
4/20/2026	1	City Council		

Resolution to Approve a Construction Contract with E.T. MacKenzie Company for the North University and Thayer Improvements Project (RFP 26-11; \$6,760,000.00) and to Appropriate \$7,673,000.00 in Contributing Funds and to Approve Cost Allocation Agreements **(8 Votes Required)**

Please refer to the enclosed resolution to approve a construction contract between the City of Ann Arbor and E.T. MacKenzie Company in the amount of \$6,760,000.00 for the North University and Thayer Improvements (RFP 26-11).

The project is located on North University Avenue between State Street and Fletcher Street, and Thayer Street between North University Avenue and East Washington Street. The project scope includes the following elements:

- Replacement of water main and related appurtenances and water main consolidation with the University of Michigan.
- Stormwater system improvements.
- Sanitary main installation.
- Road resurfacing.
- Curb and gutter replacements.
- Sidewalk and ramp upgrades.
- Separated bike lanes.
- Addition of a dedicated eastbound transit-only lane.

The City has partnered with the University of Michigan to consolidate existing water mains owned by the City and University, and to provide an exclusive eastbound transit lane between State Street and Fletcher Street. The City is also partnering with the Ann Arbor Area Downtown Development Authority (DDA) to replace an aging irrigation pit used to water planter boxes on the north side of North

University between State Street and Thayer Street. The University of Michigan and DDA are contributing funds for their designated assets.

The construction of the project is scheduled in four phases:

- Phase 1: May 4, 2026, to July 10, 2026. Work will focus on water main and sanitary main improvements.
- Project pause for Art Fair: July 11, 2026 - July 19, 2026. No work. The contractor will be required to remove all equipment and materials from the job site for the 2026 Art Fair.
- Phase 2: July 20, 2026, to August 15, 2026. Work will focus on stormwater system improvements and roadway improvements to the intersection of North University and Fletcher.
- Phase 3: August 17, 2026 - November 25, 2026. Work will focus on street construction on North University and Thayer.
- Phase 4: Spring 2027 - Work will focus on planting trees, final turf establishment (lawn restoration), and placement of final pavement markings.

Engineering staff supervised the creation of plans and contract documents and bid the project through the City’s Procurement Unit. On February 20, 2026, bids were received from two contractors. A selection committee comprised of Public Services staff reviewed the proposals and determined which bidder was the Best Value based on the criteria provided in ORD-21-41, adopted by Council on January 3, 2022:

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

Due to an error in their submittal, the proposal from Fonson Construction Company was considered to be non-responsive. Therefore, staff recommend awarding the contract for this project to the E.T. MacKenzie Company (MacKenzie).

MacKenzie complies with the City’s Non-Discrimination and Living Wage ordinances.

**Budget/Fiscal Impact:** This project is included in the Capital Improvements Plan (TR-SB-18-09, UT-ST-24-14, UT-SN-24-03 and UT-WS-20-17). The estimated total cost of the project is \$8,971,529.35. Funding for the project City’s portion of the project is included in the capital budgets of the Water Supply System Fund, Stormwater Fund, Sanitary Sewer System Fund and the Street, Bridge and Sidewalk Millage Fund. The University of Michigan and the Ann Arbor DDA are also contributing funds for the project.

<b>Fund</b>	<b>Total Project Cost</b>
Water Supply System Fund	\$1,292,000
Street, Bridge and Sidewalk Millage Fund	\$1,197,000
Stormwater Sewer System Fund	\$1,320,000
Sewage Disposal System Fund	\$ 226,000
University of Michigan	\$4,895,000
Ann Arbor Downtown Development Authority	\$ 35,000

Total \$8,965,000

The additional bike and transit lanes are estimated to increase annual maintenance costs by \$30,000 as detailed below:

- Bike Lane Pavement Marking Maintenance \$ 3,000.00
- Transit Lane Pavement Marking Maintenance \$15,000.00
- Bike Lane Maintenance \$ 6,000.00
- Transit Lane Maintenance \$ 6,000.00

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

Reviewed by: Jordan Roberts, Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The existing water mains along North University Avenue and Thayer Street are in poor condition, undersized, and in need of replacement and consolidation with the adjacent University of Michigan water main;

Whereas, The North University Avenue and Thayer Street pavement is in poor condition and in need of replacement;

Whereas, The City is committed to meeting its environmental goals to improve storm water quality, reduce emissions, enhance non-motorized and transit facilities and operations;

Whereas, Funding for the project is included in the approved capital budgets of the Water Supply System, Stormwater, Sanitary Funds, and the Street, Bridge and Sidewalk Millage;

Whereas, the City is partnering with the University of Michigan to consolidate water mains in the project limits and reduce transit route times along the North University corridor;

Whereas, The City of Ann Arbor received two proposals for this work on February 20, 2026 and recommend awarding the construction contract to E.T. MacKenzie Company;

Whereas, E.T. MacKenzie Company complies with the City's Non-Discrimination and Living Wage ordinances; and

Whereas, It is now necessary to enter into a contract with E.T. MacKenzie Company for the performance of this work;

RESOLVED, That City Council approves a construction contract with E.T. MacKenzie Company in the amount of \$6,760,000.00 for the North University and Thayer Improvements (RFP 26-11);

RESOLVED, That \$1,197,000.00 be appropriated from the Street, Bridge, Sidewalk Millage Fund unobligated fund balance to the North University and Thayer Improvement Project thereby increasing the project revenue and expenditure budgets;

RESOLVED, That \$1,320,000.00 be appropriated from the Stormwater Sewer System Fund unobligated fund balance to the North University and Thayer Improvement Project thereby increasing the project revenue and expenditure budgets;

RESOLVED, That \$226,000.00 be appropriated from the Sewage Disposal Fund unobligated fund balance to the North University and Thayer Improvement Project thereby increasing the project revenue and expenditure budgets;

RESOLVED, That \$4,895,000.00 be appropriated for contributions that will be made by the University of Michigan to pay for their share of water main and transit improvements in the North University and Thayer Improvement Project thereby increasing the project revenue and expenditure budgets;

RESOLVED, That \$35,000.00 be appropriated for contributions that will be made by the Ann Arbor Downtown Development Authority (DDA) to pay for their share of improvements in the North University and Thayer Improvement Project thereby increasing the project revenue and expenditure budgets;

RESOLVED, That a contingency amount of \$676,000.00 be established within the project budget and that the City Administrator be authorized to approve construction change orders not to exceed that amount, in order to satisfactorily complete this project;

RESOLVED, That the City make the following declaration for the purpose 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 proceeds of Bonds;

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

RESOLVED, That the Mayor and City Clerk be authorized to execute Cost Allocation Agreements with the Regents of the University of Michigan and the Downtown Development Authority for the project after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take necessary administrative actions to implement this resolution, including issuing temporary and permanent Traffic Control Orders and night work authorizations as required for the construction of the project.