



## Legislation Text

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**File #:** 08-0610, **Version:** 1

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Resolution to Award a Construction Contract to Posen Construction, Inc. (Bid No. 3916, \$663,620.88) for the Millers Creek Bank Stabilization Project

Attached for your review and approval is a resolution to award a construction contract to Posen Construction, Inc. in the amount of \$663,620.88 for the Millers Creek Bank Stabilization Hubbard to Glazier Project.

The purpose of this project is to stabilize the bank of Millers Creek at several locations along the stretch between Hubbard Street and Glazier Way. Currently, severe bank erosion is occurring during peak flows in the creek and is threatening the City's infrastructure, including the non-motorized pathway running along Huron Parkway and an exposed sanitary sewer line.

Eleven sets of plans and specifications were distributed to contractors, subcontractors, and suppliers who expressed interest in the project. Three (3) bids were received and opened on June 4, 2008. The lowest responsible bid, by Posen Construction in the amount of \$663,620.88, is approximately \$67,170.00 lower than the engineer's estimate of \$730,791.00. A tabulation of the bids is also attached.

Posen Construction, Inc. received Human Rights approval on June 5, 2008. All employees of Posen Construction, Inc. assigned to work on the project will receive compensation in accordance with the Living Wage Ordinance.

Council approved this project and the associated funding as part of the FY08 Capital Budget process. While the project scope remains unchanged, the City will incur a higher cost for the project than originally anticipated. The University of Michigan has declined to participate financially, though they are providing an easement and access through University property for the project construction. In addition, the City was unsuccessful in obtaining grant funding to offset project expenses. These two funding sources were anticipated to offset costs by \$400,000.00. The City is funding the project in its entirety at \$1,150,000.00 with Storm water and Wastewater funds.

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

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The Millers Creek Bank Stabilization Project - Hubbard to Glazier is necessary to mitigate the severe bank erosion that is occurring during peak flows in Millers Creek and threatening the City's infrastructure, including the non-motorized pathway running along Huron Parkway and an exposed sanitary sewer line;

Whereas, A detailed project design has been completed and bids for the construction of the project have been received;

Whereas, Competitive bids were received by Procurement on June 4, 2008 and Posen Construction, Inc. was the lowest responsible bidder at \$663,620.88;

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 construction project; and

Whereas, Posen Construction, Inc. received Human Rights approval on June 5, 2008, and its employees will receive compensation in accordance with the Living Wage Ordinance;

RESOLVED, That a contract in the amount of \$663,620.88 be awarded to Posen Construction, Inc. for the construction of the Millers Creek Bank Stabilization Hubbard to Glazier 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 a contingency amount of \$67,000.00 be established within the project budget and that the City Administrator be authorized to approve additional change orders to the construction contract with Posen Construction, Inc., not to exceed \$95,000.00 in order to satisfactorily complete this project;

RESOLVED, That the City makes 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; and

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