

DATE: March 5, 2015

TO: Jerry Jung, Chairman
State Transportation Commission

FROM: Kirk T. Steudle
Director

SUBJECT: **Waiver of Commission Approval**

The projects and descriptions documented in Exhibit A-2, attached, were let by the Michigan Department of Transportation on February 6, 2015. These projects required pre-approval as the engineers' estimates were over \$500,000, however the low bids received were more than 10% over the engineers' estimates and therefore require approval by the State Transportation Commission. The approximate two week delay resulting if Commission approval were deferred to the March 19, 2015, Commission meeting would delay the transmittal of the contract documents to the low bidders, and jeopardize the construction schedules.

Item 1 is using new fabrication and construction methods for Accelerated Bridge Construction and there is an I-94 concrete repair and diamond grinding that is adjacent and scheduled to start immediately after the bridge is completed. It also includes an expedited award special provision, and a special provision requiring that all tree removals and clearing must be complete by March 31, 2015, due to the endangered bat species.

Item 2 is being coordinated with a similar project on the Canadian side of the Blue Water Bridge which is being undertaken by the Canadian Blue Water Bridge Authority and because the project takes place at a very busy border crossing press releases are required well in advance of the start of construction of the project. These press releases have already been issued, and a significant delay will cause issues related to the press releases and may require additional coordination. This project will be followed by a project to clean and coat the structural steel on the U.S. half of the First Blue Water Bridge and any delay in the start and completion of this project will likely delay the start of the following project.

Thus, a waiver of the required Commission approval is requested, as provided in Commission Resolution 79-3, as amended, footnote F:

“If, in the opinion of the Director, the public interest requires that a certain contract be awarded or an agreement be executed prior to approval by the Commission, hereunder, the Director shall seek a waiver of the required approval from the Chairman of the Transportation Commission. If the request of the approval is verbal, the waiver shall be confirmed, in writing, within fourteen (14) days.”

If the waiver is granted, the Department will proceed to execute the items noted above.

Signed Original on File

Director

The request for waiver of Commission approval of the above mentioned items are approved.

Signed Original on File

signed March 5, 2015

Jerrold M. Jung, Chairman

Date

REQUEST FOR MICHIGAN STATE
TRANSPORTATION COMMISSION APPROVAL

LETTING EXCEPTIONS AGENDA
March 4, 2015

The following projects have been pre-approved, and are being returned for re-approval after meeting the exception criteria by the State Transportation Commission.

STATE PROJECTS

1. Letting of February 6, 2015

Letting Call: 1502 035

Low Bid: **\$3,475,938.24**

Project: IM 80024-118259

Engineer Estimate: \$2,431,249.90

Local Agreement:

Pct Over/Under Estimate: 42.97 %

Start Date: March 2, 2015

Completion Date: August 28, 2015

Superstructure replacement with precast, concrete segmental beams, scour countermeasures, and approach work on I-94 over the east branch of the Paw Paw River, Van Buren County.

5.00 % DBE participation required

Bidder	As-Submitted	As-Checked	Ranking
Toebe Construction LLC	\$3,475,938.24	Same	1 **
Anlaan Corporation	\$3,609,976.00	Same	2
Milbocker and Sons, Inc.	\$3,764,491.06	Same	3
Davis Construction, Inc.	\$3,783,720.12	Same	4

Total Number of Bidders: 4

2. Letting of February 6, 2015

Letting Call: 1502 041

Low Bid: **\$4,054,081.88**

Project: MBWB 77111-123051

Engineer Estimate: \$3,465,237.16

Local Agreement:

Pct Over/Under Estimate: 16.99 %

Start Date: March 2, 2015

Completion Date: July 24, 2015

Deep overlay, bridge joint replacement and repair, and brush block rehabilitation on the Michigan half of the first Blue Water Bridge (I-94 westbound over the St. Clair River and CN/GTW Railroad) in the city of Port Huron, St. Clair County.

No DBE participation required

Bidder	As-Submitted	As-Checked	Ranking
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Z Contractors, Inc.	\$4,054,081.88	Same	1 **
C. A. Hull Co., Inc.	\$4,202,509.31	Same	2
Toebe Construction LLC	\$4,624,242.78	Same	3
Anlaan Corporation	\$5,494,784.15	Same	4

Total Number of Bidders: 4

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 17, 2014.

Respectfully submitted,

Authorized Signature on File 3.4.15

Kirk T. Steudle
Director

DATE: March 4, 2015

TO: State Transportation Commission

FROM: Jack Cotter, CPA, CGMA
Commission Auditor
Office of Commission Audits

SUBJECT: Justification Memorandums

Attached for your information are the department's justification memorandums for Exhibit A-2 items where the low bid exceeded the engineer's estimate by more than ten percent.

Signed Original on File

Jack Cotter, CPA, CGMA
Commission Auditor

Attachments



OFFICE MEMORANDUM

REVISED

DATE: March 5, 2015

TO: Myron G. Frierson, Director
Bureau of Finance and Administration

FROM: Mark A. Van Port Fleet, Director
Bureau of Highway Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer's Estimate

Letting Date: February 6, 2015
Project Description: Superstructure replacement with precast, concrete segmental beams, scour countermeasures, and approach work on I-94 over the east branch of the Paw Paw River, Van Buren County.

Project Number: 80024-118259
Item Number: 1502 035
Low Bidder: Toebe Construction LLC

Eng. EST: \$ 2,431,249.90 Low Bid: \$ 3,475,938.24 Difference: \$1,044,688.34 Percent: 42.97

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$2,431,249.90
Toebe Construction LLC	\$3,475,938.24
Anlaan Corporation	\$3,609,976.00
Milbocker and Sons, Inc.	\$3,764,491.06
Davis Construction, Inc.	\$3,783,720.12

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were for the structure removal and the prestressed concrete superstructure. These items were bid higher than normal primarily because this project is utilizing a unique new method to accelerate construction and minimize user delay on I-94. In order to create the prestressed concrete superstructure, the deck will be precast onto the beams at the concrete plant. This requires stringent fabrication requirements to ensure proper fit at the site. The pieces will then be brought out to the worksite and placed. Using this technique will minimize lane closure durations, and potentially save nearly 80 days of field construction. Also, the structure remove item was bid higher because of the tight time frame required to perform the work in order to coordinate with other projects in the

corridor. The estimator considered these factors when estimating this project, but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of unique construction methods with little bid history and tight time frames required to coordinate with other projects in the area. This project received four bids ranging from \$3,475,938.24 to \$3,783,720.12 which varied by 8.85 percent. The two lowest bids varied by 3.86 percent. We believe that rejecting these bids and re-letting this project will not result in lower bids and the low bid should be considered reasonable based on the factors discussed.

The Bureau of Highway Development and the Coloma TSC request that this project be awarded to the low bidder based on the above conclusion.

[Signature on File]

Director, Bureau of Highway Development

BOHD: DD: QA: LFS: st

cc:	K. Steudle	B. Wieferich	K. Curtis	H. Stinson	MDOT-eProposal
	L. Strzalka	J. Mullins	G. Johnson	K. Farlin	M. Fedewa
	J. Cotter	G. Frens	D. Parker	B. Rottiers	M. Shulick
	C. Jacobs	K. Rothwell	R. Welke	B. O'Brien	J. Ranger



OFFICE MEMORANDUM

DATE: February 26, 2015

TO: Myron G. Frierson, Director
Bureau of Finance and Administration

FROM: Mark A. Van Port Fleet, Director
Bureau of Highway Development

SUBJECT: Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer's Estimate

Letting Date: February 6, 2015
Project Description: Deep overlay, bridge joint replacement and repair, and brush block rehabilitation on the Michigan half of the first Blue Water Bridge (I-94 westbound over the St. Clair River and CN/GTW Railroad) in the city of Port Huron, St. Clair County.

Project Number: 77111-123051
Item Number: 1502 041
Low Bidder: Z Contractors, Inc.

Eng. Est: \$3,465,237.16 Low Bid: \$4,054,081.88 Difference: \$588,844.72 Percent: 16.99

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$3,465,237.16
Z Contractors, Inc.	\$4,054,081.88
C. A. Hull Co., Inc.	\$4,202,509.31
Toebe Construction LLC	\$4,624,242.78
Anlaan Corporation	\$5,494,784.15

EXPLANATION FOR DIFFERENCES

The low bidder had unit prices that varied from the normal range. The main item found to be higher than the engineer's estimate was the minor traffic devices. This project is unique in nature due to the complexity of the structure. This project is located at an international border crossing, requiring additional security, background checks and random inspections of construction vehicles and equipment. There is no specific pay item to cover these additional costs. Furthermore, the contractors were not asked to accommodate as part of a project on a more traditional bridge within MDOT's bridge inventory. Also, the contractor will have to coordinate with a similar project on the Canadian side in order to gain access the work site and may only be available from the United States side. This means the contractor will have to turn vehicles around or back vehicles down after delivering materials to the work site. The progress clause for this project includes multiple intermediate completion dates as well as a final completion

date of July 24, 2015. This date was based on a critical path schedule completed during the design phase of the project. Failure to meet the completion dates in the progress clause will result in the contractor being assessed liquidated damages of \$5,000 per day. The estimator considered these factors when estimating this project, but was unable to precisely predict the unit prices.

OVERALL CONCLUSION

As indicated in the above analysis, the low bid is over the engineer's estimate because of the unique nature of the project being an international border crossing. This project received four bids ranging from \$4,054,081.88 to \$5,494,784.15 which varied by 35.54 percent. The three lowest bids varied by 14.06 percent. We believe that rejecting these bids and re-letting this project will not result in lower bids and the low bid should be considered reasonable based on the factors discussed.

The Bureau of Highway Development and the Macomb/St. Clair TSC request that this project be awarded to the low bidder based on the above conclusion.

[Signature on File]

Director, Bureau of Highway Development

BOHD:DD:QA:MAS:st

cc: K. Steudle B. Wieferich K. Curtis H. Stinson MDOT-eProposal
L. Strzalka J. Mullins G. Johnson K. Farlin M. Fedewa
J. Cotter G. Frens D. Parker B. Rottiers M. Shulick
K. Kopper M. Szuch P. Williams T. Kratofil B. O'Brien