

MICHIGAN STATE TRANSPORTATION COMMISSION
WAIVER OF FULL COMMISSION APPROVAL
OUTLINE OF MATERIALS

DATE: September 3, 2014

I. APPROVAL

- Request for Waiver of Commission Approval of Contract (**chair signature requested**)

II. OVERSIGHT

- Exhibit A: Contract Agreements (**approval required**)
- Exhibit A-1: Bid Letting Pre-Approvals (**approval required**)
- Exhibit A-2: Letting Exceptions (**approval required**)
 - Followed by Justification Memos

III. NEXT STC MEETING

- The next full meeting will be held Thursday, September 18, 2014, in Lansing at the Aeronautics Building.

DATE: September 3, 2014

TO: Jerry Jung, Chairman
State Transportation Commission

FROM: Kirk T. Steudle
Director

SUBJECT: Request for Waiver of Commission Approval of Contract

The projects and descriptions documented in Exhibit A, attached, require State Transportation Commission approval prior to the contracts being awarded. The approximate two week delay resulting if Commission approval were deferred to the September 18, 2014, Commission meeting could jeopardize the timeliness of the award of the contracts, as well as the performance of the project work necessary.

The projects and descriptions documented in Exhibit A-1, attached, are scheduled to be let by the Michigan Department of Transportation on September 5, 2014. These projects require pre-approval as the engineers' estimates are over \$500,000. The approximate two week delay resulting if Commission approval were deferred to the September 18, 2014, Commission meeting would delay the transmittal of the contract documents to the low bidders, and could jeopardize the construction schedules for these projects.

The projects and descriptions documented in Exhibit A-2, attached, were let by the Michigan Department of Transportation on August 22, 2014. 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. One of the projects requires approval as the engineer's estimate was over \$500,000, and only one bid was received. The approximate two week delay resulting if Commission approval were deferred to the September 18, 2014, Commission meeting would delay the transmittal of the contract documents to the low bidders, and would jeopardize the construction schedules for these projects as they are all to be completed in this construction season.

Commission Resolution 79-3, as amended, provides in 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 contract.

Signed Document on File

Director

The request for waiver of Commission approval of the above mentioned contract is approved.

Signed Document on File

9/4/2014

Jerrold M. Jung, Chairman

Date

REQUEST FOR MICHIGAN STATE TRANSPORTATION
COMMISSION APPROVAL

CONTRACTS

September 3, 2014

The following contracts are being submitted for approval. The appropriate documents will be approved by the Attorney General and comply with all legal and fiscal requirements prior to award.

CONTRACTS

1. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2014-5133) between MDOT and the City of Dearborn will provide for funding participation in the construction of the following improvements:

PART A – Marshall Street Outlet

Construction of storm water facilities in the area bordered by Highway US-24 (Telegraph Road), Cherry Hill Street, West Outer Drive, and Rowe Street outletting into the storm sewer main, including removal and replacement of water main crossings and sanitary and storm sewer conflicts.

PART B – Fordson Drive Outlet

Construction of storm water facilities in the area bordered by Highway US-24 (Telegraph Road), Rowe Street, West Outer Drive, and Fordson Drive outletting into the storm sewer main, including removal and replacement of water main crossings and sanitary and storm sewer conflicts.

PART C - Myrtle Street Outlet

Construction of storm water facilities in the area bordered by Highway US-24 (Telegraph Road), Wilson Avenue, North Martha Street, and Cherry Hill Street outletting into the storm sewer main, including removal and replacement of water main crossings and sanitary and storm sewer conflicts.

Estimated Funds:

	<u>PART A</u>	<u>PART B</u>	<u>PART C</u>	<u>TOTAL</u>
State Restricted Trunkline Funds	\$ 48,271	\$294,662	\$ 460,432	\$ 803,365
City of Dearborn Funds	<u>\$437,883</u>	<u>\$647,882</u>	<u>\$2,734,455</u>	<u>\$3,820,220</u>
Total Funds	<u>\$486,154</u>	<u>\$942,544</u>	<u>\$3,194,887</u>	<u>\$4,623,585</u>

MDA 84900 (82062) – 122254; Wayne County
Local Construction

* Denotes a non-standard contract/amendment

2. *RAIL – Application of Wi-Fi Credits

Contract (2013-0464/A1) between MDOT and the National Railroad Passenger Corporation (Amtrak) will provide for the application of Wi-Fi credits against the monthly operating and equipment capital payments. Pursuant to provisions in Contract No. 2013-0384, which provides for the implementation of wireless mobile broadband access (Wi-Fi) on Amtrak passenger rail cars in the Michigan fleet, MDOT has been credited \$803,175 for capital investments and \$434,700 for revenue increases as they relate to the Wi-Fi implementation. The original contract provides financial assistance for the daily operation of intercity rail passenger service between Port Huron, Lapeer, Flint, Durand, Lansing/East Lansing, Battle Creek, Kalamazoo, Dowagiac, and Niles, Michigan, and Chicago, Illinois; between Grand Rapids, Holland, Bangor, St. Joseph/Benton Harbor, and New Buffalo, Michigan, and Chicago, Illinois; and between Pontiac, Birmingham, Royal Oak, Detroit, Dearborn, Ann Arbor, Jackson, Albion, Battle Creek, Kalamazoo, Dowagiac, Niles, and New Buffalo, Michigan, and Michigan City, Indiana, Hammond-Whiting, Indiana, and Chicago, Illinois. The contract also provides financial assistance for the use of Amtrak equipment pursuant to Section 209 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). The contract term remains unchanged, October 1, 2013, through September 30, 2014. The contract amount remains unchanged at \$25,178,000. Source of Funds: FY 2014 State Restricted Comprehensive Transportation Funds - \$25,178,000.

This amendment was approved by the State Transportation Commission through a waiver on August 14, 2014; however, the contract amount will now remain unchanged. The amendment still provides for the application of Wi-Fi credits.

Upon receipt of your approval, the contracts and agreements will be processed for award. Subject to the exercise of the discretion in the processing, I approve the contracts 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,

Original Signed

Kirk T. Steudle
Director

REQUEST FOR MICHIGAN STATE TRANSPORTATION
COMMISSION APPROVAL

BID LETTING PRE-APPROVAL

September 3, 2014

The following contracts are being submitted for approval.

STATE PROJECT

- | | | |
|----|---------------------------------|------------------------|
| 1. | LETTING OF SEPTEMBER 05, 2014 | PREQUALIFICATION LEVEL |
| | PROPOSAL 1409040 | \$ 1,710,000.00 |
| | PROJECT ST 09042-122124, ETC | |
| | LOCAL AGRMT. | |
| | START DATE - JUNE 01, 2015 | |
| | COMPLETION DATE - JUNE 26, 2015 | |

11.25 mi of hot mix asphalt cold milling and resurfacing with shoulder widening on M-25 from Cecelia Drive east to Nolet Road, Bay County.

5.00 % DBE participation required

LOCAL PROJECT

- | | | |
|----|----------------------------------|------------------------|
| 2. | LETTING OF SEPTEMBER 05, 2014 | PREQUALIFICATION LEVEL |
| | PROPOSAL 1409039 | \$ 1,482,000.00 |
| | PROJECT STU 82457-123182 | |
| | LOCAL AGRMT. 14-5476 | |
| | START DATE - 10 days after award | |
| | COMPLETION DATE - JUNE 01, 2015 | |

0.75 mi of hot mix asphalt resurfacing, drainage structure adjustment, pavement joint and crack repair, concrete sidewalk and sidewalk ramps, bridge rehabilitation, and bridge deck penetrating sealer on Mack Avenue from St. Jean Street east to Algonquin Street in the city of Detroit, Wayne County.

4.00 % DBE participation required

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,

Original Signed

Kirk T. Steudle
Director

3. LETTING OF AUGUST 22, 2014 ENG. EST. LOW BID
 PROPOSAL 1408603 \$ 1,900,460.03 \$ 1,908,509.81
 PROJECT PRIP 49021-120265
 LOCAL AGRMT. % OVER/UNDER EST.
 START DATE - 10 days after award
 COMPLETION DATE - OCTOBER 31, 2014 0.42 %

9.45 mi of hot mix asphalt cold milling and resurfacing of mainline and ultra-thin shoulder overlay on US-2 from west of the Mackinac/Schoolcraft county line to the west reference line of CN Railroad Bridge, Schoolcraft and Mackinac Counties. This project includes a 3 year materials and workmanship pavement warranty and a 2 year pavement performance warranty.

2.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Bacco Construction Company	\$ 1,908,509.81	Same	1 **
Payne & Dolan Inc.			
Rieth-Riley Construction Co., Inc.			

1 Bidder

4. LETTING OF AUGUST 22, 2014 ENG. EST. LOW BID
 PROPOSAL 1408605 \$ 942,428.36 \$ 1,134,284.35
 PROJECT PRIP 58034-124033
 LOCAL AGRMT. % OVER/UNDER EST.
 START DATE - 10 days after award
 COMPLETION DATE - NOVEMBER 05, 2014 20.36 %

3.97 mi of concrete pavement repairs and diamond grinding concrete on US-23 from School Road northerly to Ida Center Road, Monroe County.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Diamond Coring Company, Inc.	\$ 1,134,284.35	Same	1 **
Penhall Company	\$ 1,377,821.32	Same	2
Opperman Grooving Inc.			

2 Bidders

5. LETTING OF AUGUST 22, 2014 ENG. EST. LOW BID
 PROPOSAL 1408606 \$ 894,526.63 \$ 1,050,263.75
 PROJECT RRRF 09101-115898-2
 LOCAL AGRMT. % OVER/UNDER EST.
 START DATE - APRIL 13, 2015
 COMPLETION DATE - JULY 24, 2015 17.41 %

0.20 mi of bridge rehabilitation on US-10 westbound over North Union Road, on US-10 eastbound over Patrick Road, and on US-10 eastbound and westbound over the Huron and Eastern Railroads, Bay and Midland Counties.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
C. A. Hull Co., Inc.	\$ 1,050,263.75	Same	1 **
Nashville Construction Company	\$ 1,133,029.86	Same	2
Davis Construction, Inc.	\$ 1,205,834.84	Same	3
Anlaan Corporation	\$ 1,236,416.19	Same	4
Grand River Construction, Inc.			
L. W. Lamb, Inc.			
Z Contractors, Inc.			
Toebe Construction LLC			

4 Bidders

6.	LETTING OF AUGUST 22, 2014	ENG. EST.	LOW BID
	PROPOSAL 1408617	\$ 1,436,657.08	\$ 1,695,566.14
	PROJECT M 63174-M71442		
	LOCAL AGRMT.		% OVER/UNDER EST.
	START DATE - 10 days after award		
	COMPLETION DATE - AUGUST 02, 2015		18.02 %

11.23 mi of hot mix asphalt pavement joint and crack repair on I-75 from 12 Mile Road to Square Lake Road in the city of Madison Heights, Oakland County.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
C & D Hughes, Inc.	\$ 1,695,566.14	Same	1 **
Ajax Paving Industries, Inc.	\$ 1,803,192.48	Same	2
Lois Kay Contracting Co.	\$ 1,976,466.14	Same	3
Cadillac Asphalt, L.L.C.	\$ 2,284,566.14	Same	4

4 Bidders

7.	LETTING OF AUGUST 22, 2014	ENG. EST.	LOW BID
	PROPOSAL 1408627	\$ 735,806.96	\$ 895,814.22
	PROJECT PRIP 16032-124834		
	LOCAL AGRMT.		% OVER/UNDER EST.
	START DATE - SEPTEMBER 15, 2014		
	COMPLETION DATE - NOVEMBER 15, 2014		21.75 %

1.04 mi of hot mix asphalt cold milling and resurfacing, concrete curb, gutter, ramps and pavement repairs, and guardrail on M-27 from the I-75 southbound ramps to the I-75 northbound ramps and on US-23 from south of Duncan Avenue to north of Water Street in the city of Cheboygan, Cheboygan County.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Rieth-Riley Construction Co., Inc.	\$ 895,814.22	Same	1 **
Payne & Dolan Inc.	\$ 1,000,000.00	Same	2

2 Bidders

8. LETTING OF AUGUST 22, 2014
 PROPOSAL 1408637 ENG. EST. LOW BID
 \$ 545,095.77 \$ **845,122.00**
 PROJECT M 63051-M71441-2
 LOCAL AGRMT. % OVER/UNDER EST.
 START DATE - 10 days after award
 COMPLETION DATE - MAY 31, 2015 55.04 %

58.32 mi of drainage structure, curb repair and replacement, electrical manhole repair, and slope restoration on various routes, Oakland County.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Zito Construction	\$ 845,122.00	Same	1 **
Lois Kay Contracting Co.	\$ 1,071,662.00	Same	2
J. Ranck Electric, Inc.	\$ 1,108,245.02	Same	3
DiPonio Contracting, Inc.	\$ 1,172,660.00	Same	4
Anglin Civil, LLC			
Florence Cement Company			

4 Bidders

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,

Original Signed

Kirk T. Steudle
 Director

DATE: September 3, 2014

TO: State Transportation Commission

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

SUBJECT: Justification Memorandums

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

Original Signed

Jack Cotter, CPA
Commission Auditor

Attachments



OFFICE MEMORANDUM

DATE: August 29, 2014

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: August 22, 2014
Project Description: 6.65 mi of concrete pavement repairs, intermittent shoulder replacement, gutter repairs, and drainage cleaning on M-10 from I-94 to Meyers Road, Wayne County.
Project Number: 82112-123134
Item Number: 1408 601
Low Bidder: Florence Cement Company

Eng. Est: \$3,711,245.05 Low Bid: \$4,083,974.16 Difference: \$372,729.11 Percent: 10.04

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

Engineer's Estimate	\$3,711,245.05
Florence Cement Company	\$4,083,974.16
Major Cement Co.	\$4,879,799.11

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 the contraction joints. These items were bid higher than normal because of low production construction methods and maintaining traffic restrictions. There are over six miles of concrete pavement repairs on M-10 from I-94 to Meyers Road, in the city of Detroit, with high traffic volumes and include a number of required maintaining traffic restrictions. For example, Monday through Friday, no lane or shoulder closures will be allowed on northbound M-10 between the hours of 2:00 p.m. and 8:00 p.m., and no lane or shoulder closures will be allowed on southbound M-10 between the hours of 6:00 a.m. to 7:00 p.m. Furthermore, there are a number of special events in the area that will impact lane closures or else liquidated damages will be assessed. This will lower production and increase costs because of the additional time and labor required to mobilize equipment and materials and to effectively maintain traffic multiple times throughout construction. 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 low production construction methods and maintaining traffic restrictions. This project received two bids of \$4,083,974.16 and \$4,879,799.11 which varied by 19.49 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 Detroit 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
G. Chaney R. Teale P. Williams T. Kratofil B. O'Brien



OFFICE MEMORANDUM

DATE: August 29, 2014

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: August 22, 2014
Project Description: 10.08 mi of hot mix asphalt cold milling and resurfacing, and ADA ramps on M-36 from the east village limits of Pinckney to US-23, Livingston County. This project includes a 3 year materials and workmanship pavement warranty.

Project Number: 47041-124469
Item Number: 1408 602
Low Bidder: Ajax Paving Industries, Inc.

Eng. Est: \$2,325,384.29 Low Bid: \$2,559,767.04 Difference: \$234,382.75 Percent: 10.08

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

Engineer's Estimate	\$2,325,384.29
Ajax Paving Industries, Inc.	\$2,559,767.04
Rieth-Riley Construction Co., Inc.	\$2,644,140.03
Cadillac Asphalt, L.L.C.	\$2,952,862.03
Barrett Paving Materials Inc.	\$2,992,000.00

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 cold milling hot mix asphalt and minor traffic devices. These items were bid higher than normal because of the expedited construction schedule and maintaining traffic restrictions. This project is required to be completed and fully opened to traffic by November 15, 2014. Maintaining traffic restrictions require single lane closures with traffic regulation control on M-36 from Hamburg Road to US-23 from 9:00 a.m. to dusk, and on M-36 from Hamburg Road west to the east city limits of Pinckney from 9:00 a.m. to 3:00 p.m., Monday through Friday. Furthermore, all traffic lanes must be open to traffic at all times whenever work is not in progress or else all traffic control devices must be taken down or covered. This has increased the cost of the project because of the additional time and labor required to mobilize equipment and materials, effectively maintain traffic, and construct the

project on time. 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 expedited construction schedule and maintaining traffic restrictions. This project received four bids ranging from \$2,559,767.04 to \$2,992,000.00 which varied by 16.89 percent. The two lowest bids varied by 3.30 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 Brighton 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
L. Kirby J. Daavettila J. Reid P. Ajegba B. O'Brien



OFFICE MEMORANDUM

DATE: August 29, 2014

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: August 22, 2014
Project Description: 3.97 mi of concrete pavement repairs and diamond grinding concrete on US-23 from School Road northerly to Ida Center Road, Monroe County.
Project Number: 58034-124033
Item Number: 1408 605
Low Bidder: Diamond Coring Company, Inc.

Eng. Est: \$942,428.36 Low Bid: \$1,134,284.35 Difference: \$191,855.99 Percent: 20.36

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

Engineer's Estimate	\$ 942,428.36
Diamond Coring Company, Inc.	\$1,134,284.35
Penhall Company	\$1,377,821.32

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 the hot mix asphalt pavement and the minor traffic devices. These items were bid higher than normal because of the expedited construction schedule and maintaining traffic restrictions. This project is required to be completed on or before November 5, 2014. Only single lane closures of four miles in length will be permitted on US-23 for concrete patches on Monday through Thursday and only one lane closure is permitted on the entire project at a time, including saw cutting, pulling and pouring concrete patches and other related work. The allowable hours for the weekly closures are from Monday 7:00 a.m. to Thursday 2:00 p.m. This has increased the cost of the project due to the additional time and labor required to mobilize equipment and materials and to effectively maintain traffic. 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 expedited construction schedule and maintaining traffic restrictions. This project received two bids of \$1,134,284.35 and \$1,377,821.32 which varied by 21.47 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 Brighton 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
L. Kirby J. Daavettila J. Reid P. Ajegba B. O'Brien

DATE: August 29, 2014

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: August 22, 2014
Project Description: 0.20 mi of bridge rehabilitation on US-10 westbound over North Union Road, on US-10 eastbound over Patrick Road, and on US-10 eastbound and westbound over the Huron and Eastern Railroads, Bay and Midland Counties.

Project Number: 09101-115898-2
Item Number: 1408 606
Low Bidder: C. A. Hull Co., Inc.

Eng. Est: \$894,526.63 Low Bid: \$1,050,263.75 Difference: \$155,737.12 Percent: 17.41

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

Engineer's Estimate	\$ 894,526.63
C. A. Hull Co., Inc.	\$1,050,263.75
Nashville Construction Company	\$1,133,029.86
Davis Construction, Inc.	\$1,205,834.84
Anlaan Corporation	\$1,236,416.19

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 control devices. This item was bid higher than normal because of multiple locations of work, multiple stage construction, and maintaining traffic restrictions. This project is comprised of bridge deck epoxy overlay and substructure repair work on four structures. There are three separate stages of construction required; stage one requires construction of the outsides of the bridges; stage two requires construction of the median sides of the bridges; stage three requires the application of the epoxy overlay while maintaining traffic using single lane closures. Furthermore, two-way traffic shall be maintained at all times on North Union Road and Patrick Road by utilizing traffic shifts and traffic regulator controls. This has increased the cost of the project because of the additional time and labor required to mobilize equipment and materials and to effectively maintain

traffic multiple times throughout the various locations and stages of construction. 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 multiple locations of work, multiple stage construction, and maintaining traffic restrictions. This project received four bids ranging from \$1,050,263.75 and \$1,236,416.19 which varied by 17.72 percent. The two lowest bids varied by 7.88 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 Bay City 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
R. Jildeh B. Ulman S. Friend R. Ranck B. O'Brien



OFFICE MEMORANDUM

DATE: August 29, 2014

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: August 22, 2014
Project Description: 11.23 mi of hot mix asphalt pavement joint and crack repair on I-75 from 12 Mile Road to Square Lake Road in the city of Madison Heights, Oakland County.
Project Number: 63174-M71442
Item Number: 1408 617
Low Bidder: C & D Hughes, Inc.

Eng. Est: \$1,436,657.08 Low Bid: \$1,695,566.14 Difference: \$258,909.06 Percent: 18.02

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

Engineer's Estimate	\$1,436,657.08
C & D Hughes, Inc.	\$1,695,566.14
Ajax Paving Industries, Inc.	\$1,803,192.48
Lois Kay Contracting Co.	\$1,976,466.14
Cadillac Asphalt, L.L.C.	\$2,284,566.14

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 joint and crack repairs in the pavement. These items were bid higher than normal because of the expedited construction schedule, low production construction methods, and maintaining traffic restrictions. This project consists of eleven miles of hot mix asphalt pavement joint and crack repairs, on I-75 from 12 Mile Road to Square Lake Road, in the city of Madison Heights with an expedited schedule and is required to be awarded by September 15, 2014. Ten percent of the specified repair work shall be completed by November 1, 2014, weather permitting, while the remaining ninety percent of the work shall be completed by August 2, 2015. The contractor is required to remove all equipment and traffic control devices by November 1, 2014 for any work performed in 2014. No additional compensation will be paid for remobilization of equipment and reinstallation of traffic control devices. Maintaining traffic restrictions require that only single lane

closures, double lane closures, and ramp closures will be allowed between the hours of 8:00 p.m. to 5:00 a.m., Sunday through Thursday, and from 10:00 p.m. to 10:00 a.m., on Friday and Saturday. 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 expedited construction schedule, low production construction methods, and maintaining traffic restrictions. This project received four bids ranging from \$1,695,566.14 and \$2,284,566.14 which varied by 34.74 percent. The two lowest bids varied by 6.35 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 Oakland 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
J. Pitt P. Williams T. Kratofil B. O'Brien A. Azmoudeh



OFFICE MEMORANDUM

DATE: August 29, 2014

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: August 22, 2014
Project Description: 1.04 mi of hot mix asphalt cold milling and resurfacing, concrete curb, gutter, ramps and pavement repairs, and guardrail on M-27 from the I-75 southbound ramps to the I-75 northbound ramps and on US-23 from south of Duncan Avenue to north of Water Street in the city of Cheboygan, Cheboygan County.

Project Number: 16032-124834
Item Number: 1408 627
Low Bidder: Rieth-Riley Construction Co., Inc.

Eng. Est: \$735,806.96 Low Bid: \$895,814.22 Difference: \$160,007.26 Percent: 21.75

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

Engineer's Estimate	\$ 735,806.96
Rieth-Riley Construction Co., Inc.	\$ 895,814.22
Payne & Dolan Inc.	\$1,000,000.00

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 hot mix asphalt pavement, cold milling the hot mix asphalt surface, and minor traffic devices. These items were bid higher than normal because of the expedited construction schedule, two separate locations of work, and maintaining traffic restrictions. All work, except the second application of permanent pavement markings and final restoration acceptance, shall be complete on or before October 31, 2014. There are two separate locations of work which will require additional time and labor to mobilize equipment and to set up and maintain traffic. Maintaining traffic restrictions require two-way traffic is to be maintained at all times on M-27 and US-127 utilizing traffic regulator controls and traffic shifts. Furthermore, it is intended that all work be conducted only during daytime hours, with night work permitted at the discretion of the engineer. Any additional cost for maintaining traffic

shall be borne by the contractor. 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 expedited construction schedule, two separate locations of work, and maintaining traffic restrictions. This project received two bids of \$895,814.22 and \$1,000,000.00 which varied by 11.63 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 Gaylord 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

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L. Strzalka J. Mullins G. Johnson K. Farlin M. Fedewa
J. Cotter G. Frens D. Parker B. Rottiers M. Shulick
C. Kramer J. Gailitis M. Radulski G. Deans S. Thayer
B. O'Brien



OFFICE MEMORANDUM

DATE: August 29, 2014

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: August 22, 2014
Project Description: 58.32 mi of drainage structure, curb repair and replacement, electrical manhole repair, and slope restoration on various routes, Oakland County.
Project Number: 63051-M71441-2
Item Number: 1408 637
Low Bidder: Zito Construction

Eng. Est: \$545,095.77 Low Bid: \$845,122.00 Difference: \$300,026.23 Percent: 55.04

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

Engineer's Estimate	\$ 545,095.77
Zito Construction	\$ 845,122.00
Lois Kay Contracting Co.	\$1,071,662.00
J. Ranck Electric, Inc.	\$1,108,245.02
DiPonio Contracting, Inc.	\$1,172,660.00

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 drainage structure repair work in composite pavement, curb and gutter removal, and minor traffic devices. These items were bid higher than normal because of the expedited construction schedule, multiple locations of work, and low production construction methods. This project consists of 58 miles of drainage structure repair, concrete curb repair, and electrical manhole repair work throughout Oakland County. This project is on expedited construction schedule and is required to be awarded prior to September 15, 2014. The contractor is also required to remove all the equipment and traffic control devices by November 30, 2014 for any work performed in 2014. No additional compensation will be paid for remobilization of equipment and reinstallation of traffic control devices. The contractor will then be required to remobilize sufficient manpower and equipment and complete the

project prior to May 31, 2015. 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 expedited construction schedule, multiple locations of work, and low production construction methods. This project received four bids ranging from \$845,122.00 and \$1,172,660.00 which varied by 38.76 percent. The two lowest bids varied by 26.81 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 Oakland 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
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