

APPROVED

February 16, 2010

Michigan State
Administrative Board

Lansing, Michigan

February 2, 2010

A regular meeting of the State Administrative Board was held in the Lake Superior Room, 1st Floor, Michigan Library and Historical Center, on Tuesday, February 2, 2010, at 11:00 a.m.

Present: Steven Liedel, Legal Counsel, representing Jennifer M. Granholm,
Chairperson
Gary Owen, Policy Advisor, representing John D. Cherry, Jr., Lt. Governor
Brian DeBano, Chief of Staff, representing Terri Lynn Land, Secretary of
State
Patrick F. Isom, Assistant Attorney General, representing Michael A. Cox,
Attorney General
Tom Saxton, Deputy Treasurer, representing Robert J. Kleine, State Treasurer
Rick Floria, Budget Director, representing Michael P. Flanagan,
Superintendent of Public Instruction
Leon Hank, Chief Administrative Officer, representing Kirk T. Steudle, Director,
Department of Transportation
Sherry Bond, Secretary

Others Present:

James Burris, Sergio Paneque, Janet Rouse, Department of Management and Budget; Rhonda Oyer Zimmerman, Department of Natural Resources and Environment; Jean Ingersoll, Department of Transportation; John Walter, Michigan Strategic Fund

1. CALL TO ORDER:

Mr. Liedel called the meeting to order and led the Pledge of Allegiance to the Flag.

2. READING OF MINUTES OF PRECEDING MEETING AND APPROVAL THEREOF:

Mr. DeBano moved that the minutes of the regular meeting of January 19, 2010, be approved and adopted. The motion was supported by Mr. Saxton and unanimously approved.

3. HEARING OF CITIZENS ON MATTERS FALLING UNDER JURISDICTION OF THE BOARD:

NONE

4. COMMUNICATIONS:

Report of the Chief Compliance Officer regarding compliance with internal policies and procedures and with applicable laws related to 21st Century Jobs Fund programs for the first quarter of Fiscal Year 2010.

5. UNFINISHED BUSINESS:

NONE

6. NEW BUSINESS:

NONE

7. REPORTS AND RECOMMENDATIONS OF COMMITTEES:
(Please see the following pages)

APPROVED

February 2, 2010

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Jennifer M. Granholm, Governor
and
Members of the State Administrative Board

A regular meeting of the **Building** Committee was held at **11:00 a.m.**
on **January 26, 2010**. Those present being:

Chairperson: Mary G. MacDowell, representing Approved _____
State Treasurer Kleine

Member: Corina Andorfer, representing Approved _____
Governor Granholm

Member: Gary Owen, representing Approved _____
Lt. Governor Cherry

Others: Iris Lopez, Department of Attorney General; Sergio Paneque,
Department of Information Technology; David Arking, Sherry Bond,
James Burris, Janet Rouse, Department of Management and Budget;
Rhonda Oyer Zimmerman, Department of Natural Resources and
Environment

The Building Committee regular and Recovery Act Funds agenda were
presented.

Following discussion, Ms. Andorfer moved that the regular agenda and
Recovery Act Funds be recommended to the State Administrative Board
for approval. Supported by Mr. Owen, the motion was unanimously
adopted.

Ms. MacDowell adjourned the meeting.

A G E N D A

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

January 26, 2010 / February 2, 2010
11:00 A.M. Lake Superior Room 1st Floor
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

AWARD OF CONSTRUCTION CONTRACTS

1. DEPARTMENT OF MANAGEMENT AND BUDGET, DIMONDALE – General Services Building – HVAC Replacement
File No. 071/09435.CAK - Index No. 11714
Low Responsive Bidder: Moore Trospen Construction Company, Holt;
\$922,100.00

Purpose/Business Case

The purpose of this contract is to replace the HVAC system including air handlers 1, 2, and 3, heating and domestic hot water and all controls in an existing facility. The existing system requires constant, costly maintenance and is not energy efficient.

Benefit

The State will benefit by reduced maintenance costs and increased energy efficiency.

Funding Source

100% Lump Sum Special Maintenance Funds

Commitment

The contract cost is fixed based on competitive bids. The amount of the contract is within the authorized budget.

Risk Assessment

Failure to approve this contract will result in potential equipment failure that would cause a shut down of critical mailing and printing services for all State agencies and increasing maintenance and energy cost.

Zip Code

48821

REVISIONS TO CONSTRUCTION CONTRACTS

2. DEPARTMENT OF MANAGEMENT AND BUDGET, LANSING – Lewis Cass Building - 1st and 2nd Floor Renovations
File No. 071/06080.JRC – Index No. 53201
HBC Contracting, Lansing; CCO No. 9, Incr. \$662,016.21

Purpose/Business Case

The purpose of this change order is to address fire, electrical, and safety code issues that relate to the lobby and first floor renovations. Issues include these major items: egress fire doors, air distribution controls, smoke sealing the lobby, additional fire proofing of steel structural components, roof drain repair and replacement, replacement of HVAC control louvers and sealing the penthouse floor and final stair well abatement. These changes will finish the upgrades of the building.

Benefit

The State will benefit by bringing the building into current building and fire code compliance while making the building mechanical systems function more efficiently.

Funding Source

90% Building Occupancy Funds; 10% State Building Authority Funds

Commitment

The contract cost is fixed based on competitive bids. The amount of the change order is within the authorized budget.

Risk Assessment

Failure to approve this change order will result in the Cass Building not being brought up to current life safety standards while leaving old inefficient mechanical systems in place.

Zip Code

48909

3. DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH, MT. PLEASANT – Renewal of Lease #7119-2009 with Edward J. & Nancy J. DeGroat, Husband and Wife, 4901 Towne Centre Road, Suite 225, Saginaw, Michigan 48604, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Energy, Labor and Economic Growth as Lessee, for 4,608 square feet of office space located at 2258 Enterprise Drive, Mount Pleasant, Michigan 48858. The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning March 1, 2010, or upon substantial completion, is \$14.15 (\$5,432 per month). This is a full service Lease. This Lease contains a Standard cancellation clause with 90-days notice. The Attorney General has approved this Lease as to legal form.

Purpose/Business Case

This lease will retain the Agency at the present location with all services included, and it is within the market rate for comparable office space in the area.

Benefit

Agency would remain at the current location and not incur any relocation costs.

Funding Source

100% Federal Funds

Commitment Level

Seven years; however, this Lease contains a Standard cancellation clause with 90-days notice.

Risk Assessment

Non-approval of this Lease will hinder the Department from providing uninterrupted services to the clients of Isabella County and could result in additional expenditures if forced to relocate.

Zip Code

48858

SUB LEASE FOR PRIVATE PROPERTY

4. DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH, PETOSKEY - Renewal of Sub Lease #11079 with Northwest Michigan Council of Governments, A Public Body Corporate, PO Box 506, Traverse City, Michigan 49685-0506, as Sub Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Energy, Labor and Economic Growth, as Sub Lessee, for 548 square feet of office and storage space located at 2225 Summit Park Drive, Petoskey, Michigan 49970. The Sub Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning June 1, 2009, is \$45.00 (\$2,055 per month). This is a full service Sub Lease. This Sub Lease contains one five-year renewal option with an adjusted rental rate. This Sub Lease contains a Standard cancellation clause with 90-days notice. The Attorney General has approved this Sub Lease as to legal form.

Purpose/Business Case

The Department of Energy, Labor & Economic Growth (MRS & BWT units) utilizes this space. This is in conjunction with the co-location initiative with the Michigan Works! Agencies. This Sub Lease supersedes and cancels the Sub Lease approved by the State Administrative Board on July 17, 2007.

Benefit

This Sub Lease allows the Department to remain at the current location, avoid relocation costs, and continue co-location with the Michigan Works! Agency. The rental rate provides fully functional offices including heat, computers, internet service and office supplies.

Funding Source

100% Federal Funds

Commitment Level

Five years with one five-year renewal option; however, this Sub Lease contains a Standard cancellation clause with 90-days notice.

Risk Assessment

Non-approval of this Sub Lease will hinder the Department from meeting the co-location initiative with Michigan Works! Agency and providing uninterrupted services, and could bring about increased costs if they are forced to relocate.

Zip Code

49770

ADDENDUM TO LEASE FOR PRIVATE PROPERTY

5. DEPARTMENT OF COMMUNITY HEALTH, LANSING - Addendum #4 to Lease #11080 approved by the State Administrative Board on December 7, 2004, Item #38, between Boji Group of Lansing, L.L.C., a Limited Liability Company, 124 West Allegan, Lansing Michigan 48933, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Community Health, as Lessee, for 94,132 square feet of space located at 201 Townsend, Lansing, Michigan 48913. This Addendum provides for a lower square foot rate and for correction in the square footage used in the lease facility, and changes the rent accordingly; and adds updated requirements to this Lease. The Lessor is providing furniture at no cost to the State. This Addendum is effective upon obtaining State Administrative Board approval and required signatures and continues to the termination date of the Lease, or any extension. The annual per square foot rental rate beginning October 1, 2009, is \$22.50 (\$176,498 per month) which is a rental decrease of 3%. This is a full service Lease. This Lease contains an Executive New cancellation clause with 90-days notice. The Attorney General has approved this Addendum as to legal form; this Lease meets the criteria requiring approval of the Joint Capital Outlay Subcommittee of the Legislature. The Subcommittee approved this Lease on November 9, 2004

Purpose/Business Case

The purpose of this Addendum is to lower the square foot rate and correct the square footage used in the building.

Benefit

To reduce the square foot rate by 3% and to take ownership of all furniture in the Leased facility.

Source of Funds

50% General Fund; and 50% Federal Funds

Commitment Level

Seventeen years; however, this Lease contains an Executive New cancellation clause with 90-days notice.

Risk Assessment

Non-approval of this Addendum will hinder the Department from utilizing all space available and a reduced square foot rate.

Zip Code

48913

6. DEPARTMENT OF STATE POLICE, GRAYLING - Addendum #5 to Lease #2933 approved by the State Administrative Board on November 7, 1989, Item #17, between City of Grayling, A Governmental Unit, PO Box 549 (1020 City Boulevard), Grayling, Michigan 49738, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of State Police, as Lessee, for 11,215 square feet of space located at 103 James Street, Grayling, Michigan 49738. This Addendum provides for extending the lease term at the same rental rate, and technical revisions. This Addendum is effective

upon obtaining State Administrative Board approval and required signatures and continues to the termination date of the Lease, or any extension. The annual per square foot rental rate for this space beginning October 1, 2010, or upon substantial completion, is \$11.37 (\$10,626 per month). This Lease contains a Standard cancellation clause with 120-days notice. The Attorney General has approved this Addendum as to legal form.

Purpose/Business Case

The purpose of this Addendum is to extend the lease term. The Department of State Police, for its Forensic Laboratory, has occupied this space since 1979 and it continues to meet their needs.

Benefit

The benefit of this Addendum will allow the Department to remain at this location and avoid relocation costs. The rental rate remains within the market rate.

Source of Funds

100% General Fund

Commitment Level

Two years; however, this Lease contains a Standard cancellation clause with 120-days notice.

Risk Assessment

Non-approval of this Addendum will hinder the Department from continuing to provide uninterrupted service and could possibly bring about increased costs if they are required to relocate.

Zip Code

49738

CONTRACT CHANGE ORDER

7. DEPARTMENT OF COMMUNITY HEALTH, LANSING - CCO #15 for Lease #11080 approved by the State Administrative Board on December 7, 2004, Item #38 between The Boji Group, Inc., as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Community Health, as Lessee. This CCO provides for the addition of electrical outlets on the fourth floor as needed to utilize a work space and the addition of a wall and other fixtures on the fifth floor as needed to accommodate a new conference room, as requested by the Department of Community Health at a cost not-to-exceed \$4,994. The space is located at 201 Townsend Street, Lansing, MI 48933

Purpose/Business Case

The purpose of this CCO is to add electrical service (1-20A, 120V) dedicated receptacle to the 4th floor of the Capitol View Bldg. workstation 4-001 to accommodate new equipment and to create a meet and confer room on the 5th floor for the purpose of facilitating BT epidemiological matters.

Benefit

This CCO allows electrical service to the new fax/copier/printer on order for the 4th floor and to help maintain the integrity/confidentiality of BT Epidemiology discussions and work group output on the 5th floor.

Source of Funds

14.1% Restricted Funds; 85.9% Federal Funds

Commitment Level

Present through October 31, 2026; however, this Lease contains an Executive New cancellation clause with 90-days notice.

Risk Assessment

Non-approval of this CCO will hinder the Department from processing work to the level required by statute.

Zip Code

48933

8. DEPARTMENT OF MANAGEMENT AND BUDGET, DETROIT - CCO #45 for Lease #10785 approved by the State Administrative Board on December 21, 1999, Item #12 between Jones Lang LaSalle/TrizecHahn Office Properties/New Center Development, Inc., as Lessor, and the State of Michigan by the Department of Management and Budget as Lessee. This CCO provides for installation of three (3) 120 volt 20 amp circuits under the raised floor in the 7th floor computer room (suite 7-400) and electrical receptacles, as requested by the Department of Management and Budget at a cost not-to-exceed \$1,380. The space is located at 3044 West Grand Blvd., Detroit, MI 48202.

Purpose/Business Case

The purpose of this CCO is to install three 120 volt 20 amp circuits under the raised floor in the 7th floor computer room (suite 7-400) and electrical receptacles needed to accommodate new computer file servers planned for that work space.

Benefit

This CCO allows the Disability Determination Services unit in the Department of Human Services to utilize new file servers which in turn will promote increased efficiency in serving its customers.

Source of Funds

100% Federal Funds

Commitment Level

Present through January 4, 2031; however, this Lease contains a Legislative cancellation clause with 60-days notice.

Risk Assessment

Non-approval of this CCO will hinder the Department from utilizing new computer technology in the seventh floor computer room at Cadillac Place as planned.

Zip Code

48202

9. DEPARTMENT OF MANAGEMENT AND BUDGET, DETROIT - CCO #46 for Lease #10785 approved by the State Administrative Board on December 21, 1999, Item #12 between Jones Lang LaSalle/TrizecHahn Office Properties/New Center Development, Inc., as Lessor, and the State of Michigan by the Department of Management and Budget as Lessee. This CCO provides for replacing an existing countertop with a larger 38" deep by 18' long countertop and four supports as well as remounting the existing emergency security alert button and walk-in client alert board, as requested by the Department of Management and Budget at a cost not-to-exceed \$1,322.50. The space is located at 3044 West Grand Blvd., Detroit, MI 48202.

Purpose/Business Case

The purpose of this CCO is replace an existing countertop with a larger 38" deep by 18' long countertop and four supports and remount an existing emergency security alert button and walk-in client alert board on the first floor (suite L-600).

Benefit

This CCO allows the Bureau of Lottery increased counter space which is useful for spreading out and working with customer's documentation. It will also enhance physical security for staff in the office.

Source of Funds

100% Restricted Lottery Funds

Commitment Level

Present through January 4, 2031; however, this Lease contains a Legislative cancellation clause with 60-days notice.

Risk Assessment

Non-approval of this CCO will hinder the Department from attaining the work efficiencies and added physical security a larger customer service countertop offers.

Zip Code

48202

RECOVERY ACT FUNDS AGENDA

BUILDING COMMITTEE / STATE ADMINISTRATIVE BOARD

January 26, 2010 / February 2, 2010
11:00 A.M. Lake Superior Room 1st Floor
Michigan Library and Historical Center

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This agenda is for general informational purposes only. At its discretion, the Building Committee may revise this agenda and may take up other issues at the meeting.

LEASE FOR PRIVATE PROPERTY

1. DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH, DETROIT - New Lease #11427 with Samaritan Center, Inc., a Michigan Non-Profit Corporation, 5555 Conner Avenue, Detroit, Michigan 48213, as Lessor, and the State of Michigan by the Department of Management and Budget for the Department of Energy, Labor and Economic Growth, as Lessee, for 13,575 square feet of office/warehouse space located at 11457 Shoemaker, Detroit, Michigan 48213. The Lease is effective upon obtaining State Administrative Board approval and required signatures. The annual per square foot rental rate for this space beginning May 1, 2010, or upon substantial completion, is \$13.91 (\$15,736 per month). This rate does not include telecommunications or alarm system. This Lease contains one five-year renewal option with an annual per square foot rental rate of \$16.10 (\$18,213 per month). This Lease contains a Standard cancellation clause with 90-days notice. The Attorney General has approved this Lease as to legal form.

Purpose/Business Case

The Department of Energy, Labor and Economic Growth (DELEG), Michigan Rehabilitation Services (MRS), Policy and Business Services/Southeast Division has determined the need for a Michigan Career and Technical Institute (MCTI) training center for Southeast Michigan. The new facility will offer employer based programming to provide jobs now and in the future for disabled residents. This is in conjunction with the co-location initiative with Michigan Works! Agencies.

Benefit

This Lease allows the Department to offer a local training center which will lead to savings and reduced recruiting and housing costs for Detroit area residents. The rental rate is within current market rates for comparable space in this sub-market.

Funding Source

100% ARRA Funds

Commitment Level

Ten years with one five year renewal option; however, this Lease contains a Standard cancellation clause with 90-days notice.

1/22/10 2:30 FINAL

Risk Assessment

Non-approval of this Lease will hinder the Department from providing Detroit area residents with job training opportunities to prepare for employment.

Zip Code

48213

Mr. Saxton presented the Building Committee Report for the regular meeting of January 26, 2010. After review of the foregoing Building Committee Report, Mr. Saxton moved that the Report covering the regular meeting of January 26, 2010, be approved and adopted. The motion was supported by Mr. Hank and unanimously approved.

APPROVED

February 2, 2010

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Jennifer M. Granholm, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at
11:00 a.m. on **January 26, 2010**. Those present being:

Chairperson: Mary G. MacDowell, representing Approved _____
State Treasurer Kleine

Member: Corina Andorfer, representing Approved _____
Governor Granholm

Member: Iris Lopez, representing Approved _____
Attorney General Cox

Others: Sherry Bond, James Burris, Sergio Paneque, Janet Rouse, Department
of Management and Budget; Rhonda Oyer Zimmerman, Department of
Natural Resources and Environment

The Finance and Claims Committee regular and supplemental agendas were
presented.

Following discussion, Ms. Lopez moved that the regular and supplemental
agendas be recommended to the State Administrative Board for approval.
The motion was supported by Ms. Andorfer and unanimously adopted.

Ms. MacDowell adjourned the meeting.

A G E N D A

1/27/10 5:00 version

FINANCE AND CLAIMS COMMITTEE

January 26, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

STATE ADMINISTRATIVE BOARD

February 2, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

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**This agenda is for general informational purposes only.
At its discretion the Finance and Claims Committee may revise
this agenda and may take up other issues at the meeting.**

SECTION I - AGENCY SUBMITTED - NEW CONTRACTS

1. DEPARTMENT OF HUMAN SERVICES

- 1) Pathways, MI NOT TO EXCEED
Holland, MI \$ 40,000.00 Total
FY10-12 100% Federal Funds
Two-year, 8-month contract for
Day Care Orientation/
Consultation Services

- 2) Monroe CMH \$ 76,500.00 Total
Monroe, MI **FY10-12** 35% General Funds
30% Federal Funds
35% Local Funds
One-year, 10-month contract for
Treatment Foster Care services

- 3) David A. Harley, Ph.D. NOT TO EXCEED
Lansing, MI \$ 78,000.00 Total
FY10-11 100% Federal Funds
One-year, 7-month, 27-day
contract for review of claims
for Disability Determination
Services (DDS) as required by
the Social Security
Administration

1. DEPARTMENT OF HUMAN SERVICES continued

4) Myung Ho Hahn, MD NOT TO EXCEED
Kalamazoo, MI \$ 175,000.00 Total
FY10-11 100% Federal Funds
One-year, 7-month, 27-day
contract for review of claims
for Disability Determination
Services (DDS) as required by
the Social Security
Administration

SECTION II - AGENCY SUBMITTED - CONTRACT CHANGES

2. DEPARTMENT OF HUMAN SERVICES

1) Reuben S. Henderson, D.O \$ 35,000.00 Amendment
Lansing, MI \$ 170,000.00 New Total
FY10-11 100% Federal Funds
Additional funds needed due to
unanticipated increase in
number of Social Security
Disability Claims to review

SECTION III - AGENCY SUBMITTED - NEW GRANTS

3. DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH

1) Ronald Retzloff, Commissioner \$ 500,000.00 Total
for Montcalm County for **FY10** 100% Federal Funds
the Central Area Michigan (WIA funds) Grantee will
Works! Consortium receive federal funding to
Greenville, MI provide retraining, job
placement and other services to
dislocated workers affected by
plant closures/mass layoffs in
the area served by the Grantee

4. DEPARTMENT OF ENVIRONMENTAL QUALITY

1) Various Grantees \$ 841,890.00 Total
(Listing on file) **FY10** 100% Restricted Funds
Scrap Tire Regulatory Fund
One-year grants for Scrap Tire
Cleanup

4. DEPARTMENT OF ENVIRONMENTAL QUALITY continued

2)	Michigan Economic Development Corporation Lansing, MI	\$ 30,000.00 Total FY10 100% Federal Funds Coastal Zone Funds Grant funding to facilitate and support the Great Lakes Offshore Wind Council
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5. DEPARTMENT OF HUMAN SERVICES

1)	Michigan Fitness Foundation Lansing, MI	\$ 13,943,183.00 Total FY10 100% Federal Funds Eight-month grant to administer Michigan's Supplemental Nutrition Assistance Program- Education (SNAP-Ed)
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SECTION IV - AGENCY SUBMITTED - GRANT CHANGES

6. DEPARTMENT OF COMMUNITY HEALTH

1)	Kalamazoo County Medical Control Authority Kalamazoo, MI	\$ 200,000.00 Amendment \$ 2,469,081.00 New Total FY10 100% Federal Funds Additional funds for a one-year grant agreement to provide funding for regional medical bio-defense networks
2)	Detroit Urban League Detroit, MI	\$ 25,545.00 Amendment \$ 1,205,477.00 New Total FY10 100% Federal Funds Additional funds for a one-year grant agreement for the delivery of WIC services according to the USDA and the State of Michigan regulations and policies

6. DEPARTMENT OF COMMUNITY HEALTH continued

- 3) Intercare Community Health \$ 42,147.00 Amendment
Network, Inc. \$ 2,008,266.00 New Total
Bangor, MI **FY10** 100% Federal Funds
Additional funds for a one-year
grant agreement for the
delivery of WIC services
according to the USDA and the
State of Michigan regulations
and policies
- 4) Mid-Michigan Community Action \$ 25,808.00 Amendment
Agency \$ 262,277.00 New Total
Farwell, MI **FY10** 100% Federal Funds
Additional funds for a one-year
grant agreement for the
delivery of WIC services
according to the USDA and the
State of Michigan regulations
and policies

7. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

- 1) Michigan Disability Rights \$ 139,275.00 Amendment
Coalition \$ 797,216.00 New Total
East Lansing, MI **FY10** 100% Federal Funds
Rehabilitation Act, Title I Funds
The Grantee will receive
additional federal funding for
the Michigan Assistive
Technology Project

8. DEPARTMENT OF ENVIRONMENTAL QUALITY

- 1) Tourism and Economic \$ 5,500.00 Amendment
Development Council \$ 30,000.00 New Total
Detroit MI **FY10** 100% Federal Funds
Coastal Zone Funds
Funding to develop initiatives
to make Detroit and key suburbs
compelling destinations

SECTION V - DMB SUBMITTED - NEW CONTRACTS

9. DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH

1) Elliot Food Equipment \$ 52,935.00 (One-Time)
Lansing, MI **FY10** 78.7% Federal Funds
21.3% General Funds
071I0200027 Food Service
Equipment for the Commission
for the Blind

10. DEPARTMENT OF MANAGEMENT AND BUDGET

1) All Seasons Grounds \$ 40,725.00 (3 years)
Management, Inc. **FY10-13** 100% Federal Funds
Detroit, MI 071I0200022 Snow Removal
Services for DELEG, UIA

2) Various Pre-Qualified Vendors \$ 668,000.00 (6 yrs, 8 mos)
(Listing on file) **FY10-16** 100% Various Funds
See bid tab for list of funds
071I0200006 Pre-Qualified
Vendors for Hazardous Waste
Removal Services, Statewide

11. DEPARTMENT OF TRANSPORTATION

1) Highway Improvement Co \$ 417,008.00 (1 year)
Wayland, MI **FY10-11** 100% Restricted Funds
State Trunkline Funds
071I9200293 Vehicle Crash
Attenuators

Carrier & Gable, Inc. \$ 1,359,696.00 (1 year)
Farmington Hills, MI **FY10-11** 100% Restricted Funds
State Trunkline Funds
071I9200293 Vehicle Crash
Attenuators

SECTION VI - DMB SUBMITTED - CONTRACT CHANGES

12. DEPARTMENTS OF CIVIL SERVICE AND CORRECTIONS

1) Watson Wyatt \$ 109,500.00 Amendment
Southfield, MI \$ 1,673,500.00 New Total
FY10 100% General Funds
071B6200351 Additional funds
to add Health Care Consulting
Services regarding 340b drug
pricing for the Department of
Corrections to this contract

13. DEPARTMENT OF CORRECTIONS

1) Coca-Cola North America \$ 0.00 Amendment
Atlanta, GA \$ 6,311,764.90 New Total
FY10 100% General Funds
071B5200225 One-year extension
to the Contract for Coca-Cola

14. DEPARTMENT OF MANAGEMENT AND BUDGET

1) OCE North America, Inc. \$ 260,000.00 Amendment
Troy, MI \$ 635,690.00 New Total
FY10-12 100% Revolving Funds
Office Service Internal Services
Fund Print & Graphics Services
071B9200227 Additional funding
for Printer Equipment
Maintenance at the Consolidated
Print Center

15. DEPARTMENT OF STATE

1) L-1 Secure Credentialing, \$ 0.00 Amendment
Inc. \$ 44,604,000.00 New Total
Burlington, MA **FY10** 94% Restricted Funds
6% General Funds
071B9200160 To add production
of the Michigan Driver's
License and Personal
Identification Cards to the
contract until BAM is fully
implemented

16. DEPARTMENT OF TREASURY

- 1) Abandoned Property Experts, \$ 0.00 Amendment
LLC \$ 500,000.00 New Total
Ann Arbor, MI **FY10-12** 100% Restricted Funds
*Unclaimed Property-Audit/
Collection Services*
071B7200220 To exercise the
two-year option for Non-State
Initiated Unclaimed Property
Audits
- 2) West Publishing \$ 74,330.00 Amendment
Eagan, MN \$ 339,458.00 New Total
FY10 100% Restricted Funds
Tax Policy Director's Office Fund
071B6200171 Additional funding
for a one-year option to the
contract for Legal Research
Database and Tax Guides

SECTION VII - RELEASE OF FUNDS TO WORK ORDER

SECTION VIII - REVISION TO WORK ORDER

SECTION IX - CLAIMS - PERSONAL PROPERTY LOSS

17. DEPARTMENT OF COMMUNITY HEALTH

- 1) Darnell Collins \$ 30.00

The claimant (10-SAB-003) requests \$30.00 reimbursement for his watch damaged by a housekeeper who accidentally knocked it on the floor. The Committee recommends approval of this claim.

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18. DEPARTMENT OF CORRECTIONS

Inmate Claims

- 1) Joshua Gustaitis #496933 \$ 57.06

The claimant (09-SAB/DOC-397) requests \$57.06 reimbursement for his boots, belt, and padlock lost during transfer from one facility to another. The Committee recommends approval of \$50.55 for this claim.

19. DEPARTMENT OF HUMAN SERVICES

- 1) Naomi Dunsen \$500.00

The claimant (09-SAB-115) requests \$500.00 reimbursement for her insurance deductible when her car was totaled while driving it for State business. The Committee recommends approval of this claim.

20. DEPARTMENT OF STATE

- 1) Joel Potter \$350.00

The claimant (09-SAB-171) requests \$350.00 reimbursement for his eyeglasses damaged while driving a State vehicle that was hit by a deer. The Committee recommends approval of this claim.

21. DEPARTMENT OF TRANSPORTATION

- 1) Hazel Coleman \$638.59

The claimant (09-SAB-112) requests \$638.59 reimbursement for damage to her vehicle after hitting a pothole. The Committee recommends denial of this claim.

SECTION X - CLAIMS - PERSONAL INJURY LOSS

22. DEPARTMENT OF NATURAL RESOURCES

- 1) Anne Bachmann \$999.99

The claimant (09-SAB-166) requests \$999.99 reimbursement for medical bills when her daughter was injured at a State of Michigan Park. The Committee recommends denial of this claim.

SECTION XI - SPECIAL ITEMS

23. DEPARTMENT OF ATTORNEY GENERAL

Requests approval for write-offs of 3869 uncollectible delinquent restitution accounts, representing a total indebtedness of \$6,550,698.42. Collection of these debts is barred by the statute of limitations.

24. DEPARTMENT OF CORRECTIONS

Report of an emergency purchase order in accordance with Administrative Guide Procedure 0620.02 for \$45,436.42 with International Textile Group, Inc. Burlington Industries, LLC for the purchase of rip stop fabric for Corrections Officers' trousers.

25. DEPARTMENT OF ENVIRONMENTAL QUALITY

Report of an emergency purchase order in accordance with Administrative Guide Procedure 0620.02 for \$90,000.00 with Advance Energy Services, L.L.C. for the plugging and abandonment of a leaking solution mine well.

The Director of the Department of Management and Budget recommends approval by the State Administrative Board of the items contained in Sections I, II, III, IV, V, and VI of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DMB Director or designee.

**S U P P L E M E N T A L
A G E N D A**

1/21/2010 9:30 version

FINANCE AND CLAIMS COMMITTEE

January 26, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

STATE ADMINISTRATIVE BOARD

February 2, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

.....

This agenda is for general informational purposes only.
At its discretion the Finance and Claims Committee may revise
this agenda and may take up other issues at the meeting.

SECTION I - AGENCY SUBMITTED - NEW CONTRACTS

SECTION II - AGENCY SUBMITTED - CONTRACT CHANGES

SECTION III - AGENCY SUBMITTED - NEW GRANTS

SECTION IV - AGENCY SUBMITTED - GRANT CHANGES

SECTION V - DMB SUBMITTED - NEW CONTRACTS

SECTION VI - DMB SUBMITTED - CONTRACT CHANGES

1s. DEPARTMENT OF TREASURY

1)	Sallie Mae, Inc. Reston, VA	\$	0.00	Amendment
		\$	13,600,000.00	New Total
		071B1001448		Extension of
				contract for 3 months for
				Student Loan Servicing while
				negotiations on new contract
				are taking place

SECTION VII - RELEASE OF FUNDS TO WORK ORDER

SECTION VIII - REVISION TO WORK ORDER

SECTION IX - CLAIMS - PERSONAL PROPERTY LOSS

SECTION X - CLAIMS - PERSONAL INJURY LOSS

SECTION XI - SPECIAL ITEMS

The Director of the Department of Management and Budget recommends approval by the State Administrative Board of the items contained in Sections I, II, III, IV, V, and VI of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DMB Director or designee.

APPROVED

February 2, 2010

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Jennifer M. Granholm, Governor
and
Members of the State Administrative Board

A special meeting of the **Finance and Claims** Committee was held at
11:00 a.m. on **February 2, 2010**. Those present being:

Chairperson: Tom Saxton, representing Approved _____
State Treasurer Kleine

Member: Steven Liedel, representing Approved _____
Governor Granholm

Member: Iris Lopez, representing Approved _____
Attorney General Cox

Others: Patrick F. Isom, Department of Attorney General; Rick Floria,
Department of Education; Sherry Bond, James Burris, Janet Rouse,
Department of Management and Budget; Rhonda Oyer Zimmerman,
Department of Natural Resources and Environment; Brian DeBano,
Department of State; Leon Hank, Jean Ingersoll, Department of
Transportation; Gary Owen, Lt. Governor's Office;

The Finance and Claims Committee special agenda and special Recovery Act
Funds agenda were presented.

Following discussion, Mr. Liedel moved that the special agenda and
special Recovery Act Funds agendas be recommended to the State
Administrative Board for approval. The motion was supported by Ms. Lopez
and unanimously adopted.

Mr. Saxton adjourned the meeting.

**S P E C I A L
A G E N D A**

01/29/2010 2:25 version

FINANCE AND CLAIMS COMMITTEE

February 2, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

STATE ADMINISTRATIVE BOARD

February 2, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

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This agenda is for general informational purposes only.
At its discretion the Finance and Claims Committee may revise
this agenda and may take up other issues at the meeting.

SECTION I - AGENCY SUBMITTED - NEW CONTRACTS

SECTION II - AGENCY SUBMITTED - CONTRACT CHANGES

SECTION III - AGENCY SUBMITTED - NEW GRANTS

SECTION IV - AGENCY SUBMITTED - GRANT CHANGES

SECTION V - DMB SUBMITTED - NEW CONTRACTS

1s. DEPARTMENT OF INFORMATION TECHNOLOGY

- | | |
|---|---|
| 1) Key Government Finance
Superior, CO | \$ 2,130,534.45 (20 payments)
FY10-13 100% Revolving Funds
<i>Various DIT Revolving Funds</i>
Finance for Lease/Purchase of
Unisys Equipment - Resubmitted
to correct the number of
payments to be made |
|---|---|

2s. DEPARTMENT OF TREASURY

- | | |
|---|--|
| 1) Great Lakes Loan Services
Madison, WI | \$ 18,032,477.40 (5 years)
FY10-16 100% Federal Funds
071I9200143 Student Loan
Servicing |
| Nelnet Servicing
Lincoln, NE | \$ 54,177,096.40 (5 years)
FY10-16 100% Federal Funds
071I9200143 Student Loan
Servicing |

SECTION VI - DMB CONTRACT - CHANGES

SECTION VII - RELEASE OF FUNDS TO WORK ORDER

SECTION VIII - REVISION TO WORK ORDER

SECTION IX - CLAIMS - PERSONAL PROPERTY LOSS

SECTION X - CLAIMS - PERSONAL INJURY LOSS

SECTION XI - SPECIAL ITEMS

The Director of the Department of Management and Budget recommends approval by the State Administrative Board of the items contained in Sections I, II, III, IV, V, and VI of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DMB Director or designee.

**S P E C I A L
A M E R I C A N R E C O V E R Y &
R E I N V E S T M E N T A C T F U N D S
A G E N D A**

1/27/2010 2:45 version

FINANCE AND CLAIMS COMMITTEE

February 2, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

STATE ADMINISTRATIVE BOARD

February 2, 2010, 11:00 a.m.
Lake Superior Room
1st Floor, Michigan Library
and Historical Center

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At its discretion the Finance and Claims Committee may revise
this agenda and may take up other issues at the meeting.

SECTION I - AGENCY SUBMITTED - NEW CONTRACTS

1a. DEPARTMENT OF HUMAN SERVICES

1) Various RATSH -09 Series (Listing on file)	\$ 0.00 Amendment \$ 2,200,000.00 New Total 100% Recovery Act Funds Two-year, three-month grant to support and enhance domestic violence transitional supportive housing services - Re-submitted a second time to change contract period only
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SECTION II - AGENCY SUBMITTED - CONTRACT CHANGES

SECTION III - AGENCY SUBMITTED - NEW GRANTS

SECTION IV - AGENCY SUBMITTED - GRANT CHANGES

SECTION V - DMB SUBMITTED - NEW CONTRACTS

2a. **MICHIGAN STATE POLICE**

- | | |
|--|---|
| 1) BK Consulting, LLC
(Brian McManus)
Lansing, MI | \$ 100,000.00 (2 years)
FY10-12 100% Recovery Act Funds
071I0200023 For a Forensic
Analyst to enhance the Michigan
Internet Crimes Against
Children Task Force's ability
to prosecute child sexual
predators and identify child
victims of sexual exploitation
crimes |
|
Digital Media Analyst, Inc
(Mark A. Bowser)
Holt, MI |
\$ 100,000.00 (2 years)
FY10-12 100% Recovery Act Funds
071I0200023 For a Forensic
Analyst to enhance the Michigan
Internet Crimes Against
Children Task Force's ability
to prosecute child sexual
predators and identify child
victims of sexual exploitation
crimes |
|
Gerald McCarthy
Jenison, MI |
\$ 100,000.00 (2 years)
FY10-12 100% Recovery Act Funds
071I0200023 For a Forensic
Analyst to enhance the Michigan
Internet Crimes Against
Children Task Force's ability
to prosecute child sexual
predators and identify child
victims of sexual exploitation
crimes |

SECTION VI - DMB SUBMITTED - CONTRACT CHANGES

SECTION VII - RELEASE OF FUNDS TO WORK ORDER

SECTION VIII - REVISION TO WORK ORDER

SECTION IX - CLAIMS - PERSONAL PROPERTY LOSS

SECTION X - CLAIMS - PERSONAL INJURY LOSS

SECTION XI - SPECIAL ITEMS

The Director of the Department of Management and Budget recommends approval by the State Administrative Board of the items contained in Sections I, II, III, IV, V, and VI of this agenda. Approval by the State Administrative Board of these award recommendations does not require or constitute the award of same. Award of contracts shall be made at the discretion of the DMB Director or designee.

Mr. Saxton presented the Finance and Claims Committee Reports for the regular meeting of January 26, 2010, and the special meeting of February 2, 2010. Mr. Saxton noted that the original Item 14(1) of the regular agenda has been corrected to list it under the Department of Treasury and is now Item 16(1) of the regular agenda. After review of the foregoing Finance and Claims Committee Reports, Mr. Saxton moved that the Reports covering the regular meeting of January 26, 2010, and the special meeting of February 2, 2010, be approved and adopted. The motion was supported by Mr. DeBano and unanimously approved.

APPROVED

February 2, 2010

Michigan State
Administrative Board

COMMITTEE REPORT TO THE STATE ADMINISTRATIVE BOARD

The Honorable Jennifer M. Granholm, Governor
and
Members of the State Administrative Board

A regular meeting of the Transportation and Natural Resources Committee was held at 3:30 p.m. on January 27, 2010. Those present being:

Chairperson: Duane Berger, representing Approved _____
Secretary of State Land

Member: Gary Owen, representing Approved _____
Lt. Governor Cherry

Member: James Shell, representing Approved _____
Attorney General Cox

Others: Tom Graf, Tom Hoane, Department of Natural Resources and Environment; Sherry Bond, Janet Rouse, Department of Management and Budget; Jason Gutting, Connie Hanrahan, Jean Ingersoll, Wayne Roe, Jr., Pat Scarlett, Betsy Steudle, Department of Transportation

The Department of Natural Resources and Environment, Land and Water Management Division agenda was presented.

Following discussion, Mr. Shell moved that the DNRE, Land and Water Management Division agenda be recommended to the State Administrative Board for approval. Supported by Mr. Owen, the motion was unanimously adopted.

The Department of Natural Resources and Environment, Mineral and Land Management Section agenda was presented.

Following discussion, Mr. Shell moved that the DNRE, Mineral and Land Management Section agenda be recommended to the State Administrative Board for approval with Item 1 contingent upon correction of the writeup to include the successful bidder's name. Supported by Mr. Owen, the motion was unanimously adopted.

The Department of Transportation regular agenda was presented.

Transportation and Natural Resources Committee Agenda

January 27, 2010

Page 2

A retroactive letter was received from Kirk T. Steudle, the Director of the Department of Transportation, regarding Item 19 of the regular MDOT agenda.

Following discussion, Mr. Shell moved that the Transportation regular agenda be recommended to the State Administrative Board for approval with Item 46 of the regular agenda contingent upon the funding in the agenda writeup being corrected. Supported by Mr. Owen, the motion was unanimously adopted.

The Department of Transportation supplemental agenda was presented.

Correspondence was received from Wayne Roe, Jr., Administrator of the Contract Services Division, requesting approval to allow MDOT to increase the contract amount of four "on-demand" contracts with consultant firms who provide engineering services for the development of design/build road construction projects due to possible federal funds for road construction projects as part of the federal economic stimulus package. This correspondence is related to Item 1 of the supplemental agenda.

Following discussion, Mr. Shell moved that the Transportation supplemental agenda be recommended to the State Administrative Board for approval with Item 1 of the supplemental agenda contingent upon the writeup being corrected to reference the "on-demand" letter as an attachment to the supplemental agenda. Supported by Mr. Owen, the motion was unanimously adopted.

Mr. Berger adjourned the meeting.

AGENDA

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT LAND AND WATER MANAGEMENT DIVISION

TRANSPORTATION AND NATURAL RESOURCES COMMITTEE STATE ADMINISTRATIVE BOARD

Transportation and Natural Resources Committee

January 27, 2010

State Administrative Board

February 2, 2010

This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

SUBMERGED LANDS

1. Proposed Deed (0.21 acre) of Lake St. Clair public trust bottomlands in the St. Clair Flats, Clay Township, St. Clair County.

Applicant: William Balfour (File SBC 295)

Consideration: \$6,184 fee

- A. Purpose/Business Case (Why should the State do this now?): To authorize use of the State's public trust ownership of the subject Lake St. Clair bottomlands under Part 339, Control of Certain State Lands, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).
- B. Benefit: Compliance with Part 339.
- C. Funding Source/Income to the State: \$6,184 fee.
- D. Commitment Level (is the contract cost fixed for the project, is the contract optional use, is the contract based on estimates, therefore no quantity is guaranteed?) or not applicable (N/A): N/A
- E. Risk Assessment (i.e., is there risk to the State associated with the award, etc.?). If no, enter N/A: N/A

2. Proposed Deed (0.47 acre) of Lake St. Clair public trust bottomlands in the St. Clair Flats, Clay Township, St. Clair County.

Applicant: Michelle Sanborn and Stephen Rabout (File SBC 295)

Consideration: \$3,995 fee

- A. Purpose/Business Case (Why should the State do this now?): To authorize use of the State's public trust ownership of the subject Lake St. Clair bottomlands under Part 339.
- B. Benefit: Compliance with Part 339.
- C. Funding Source/Income to the State: \$3,995 fee.
- D. Commitment Level (is the contract cost fixed for the project, is the contract optional use, is the contract based on estimates, therefore no quantity is guaranteed?) or not applicable (N/A): N/A
- E. Risk Assessment (i.e., is there risk to the State associated with the award, etc.?). If no, enter N/A: N/A

3. Proposed Private Use Agreement (0.13 acre) of Lake Huron public trust bottomlands on Mackinac Island, Mackinac County.

Applicant: Breakwater Point LLC (File LH 484)

Consideration: \$900 annual fee

- A. Purpose/Business Case (Why should the State do this now?): To authorize use of the State's public trust ownership of the subject Lake Huron bottomlands under Part 335, Great Lakes Submerged Lands, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).
- B. Benefit: Compliance with Part 325.
- C. Funding Source/Income to the State: \$900 annual fee.
- D. Commitment Level (is the contract cost fixed for the project, is the contract optional use, is the contract based on estimates, therefore no quantity is guaranteed?) or not applicable (N/A): N/A
- E. Risk Assessment (i.e., is there risk to the State associated with the award, etc.?). If no, enter N/A: N/A

Elizabeth M. Browne, Chief
Land and Water Management Division
Department of Natural Resources and Environment

Date

A G E N D A

NATURAL RESOURCES ITEMS FOR

TRANSPORTATION AND NATURAL RESOURCES COMMITTEE - STATE ADMINISTRATIVE BOARD

Transportation and Natural Resources - January 27, 2010 - 3:30 P.M.
State Administrative Board Meeting - February 2, 2010 - 11:00 A.M.

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This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

MINERAL LEASES

1. **NONMETALLIC MINERAL (POTASH) SEALED BID LEASE AUCTION:** On August 28, 2009, approximately 88,500 acres of state-owned mineral rights were offered for nonmetallic mineral (potash) lease. There was one successful bidder, U4 Exploration LLC of Vancouver, British Columbia, Canada, who submitted five sealed bids. A total of 31,361.70 acres received successful bids and are proposed to be leased within four counties. Total revenue generated at the auction was \$442,090.00.

Terms: Ten-year primary term, five (5) percent royalty rate, \$3.00 per acre annual rental for the first five (5) years, increasing minimum royalty thereafter.

2. **DIRECT NONMETALLIC SAND AND GRAVEL LEASE - DEVELOPMENT:** Nonmetallic sand and gravel lease rights to 72.44 acres, more or less, of state-owned lands, located in Sections 1 and 12, T02S, R02E, Waterloo Township, Jackson County, have been requested by Aggregate Industries, of Kalamazoo, Michigan.

Terms: Ten-year primary term, with three (3) three-year extension options, \$0.90 per ton (2,000 lbs. avoirdupois) royalty rate, \$25,000.00 annual minimum royalty.

The Director of the Department of Natural Resources approved Item 1 on December 3, 2009 and Item 2 on January 7, 2010. The form of legal documents involved in these transactions have previously been approved by the Attorney General.

I recommend approval.

Respectfully submitted:
Department of Natural Resources

By: _____
Thomas Wellman, Manager
Mineral and Land Management Section
Forest, Mineral and Fire Management

AGENDA

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION and NATURAL RESOURCES COMMITTEE STATE ADMINISTRATIVE BOARD

T&NR Meeting: January 27, 2010 – Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 3:30 PM
State Administrative Board Meeting: February 2, 2010 – Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 11:00 AM

This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

CONTRACTS

1. HIGHWAYS (Real Estate) – Resolution “A” (Relinquishment of Easement)
Radio Tower Site 5003, Tract 1214, Control Section 70996, Parcel 1, Part B

The subject tract is located in the Township of Allendale, Ottawa County, Michigan. The easement rights previously granted to MDOT are no longer required for radio tower purposes. The relinquishment was requested by Robert and Lorraine Feenstra, husband and wife, the current underlying fee owners. The relinquishment processing fee of \$500 has been received by MDOT. The relinquishment was approved by Peter Loftis, Grand Region Real Estate Agent, on August 25, 2009. MDOT has migrated radio communications to the Michigan Public Safety Communications System (MPSCS), as required by Executive Directive No. 2003-12. As part of this migration, the subject radio tower site has been removed and MDOT is relinquishing its interest in the property. The property was not offered to the local municipalities because MDOT does not own the underlying fee.

Criticality: This transaction is being completed as required by Executive Directive No. 2003-12 to integrate and migrate radio communications with the MPSCS.

Purpose/Business Case: The purpose of this transaction is to relinquish MDOT’s right in this property since the easement is no longer required for a radio tower site.

Benefit: MDOT is in compliance with the Executive Directive No. 2003-12.

Funding Source: N/A.

Commitment Level: MDOT is committed to be in compliance with the Executive Directive No. 2003-12.

Risk Assessment: N/A.

Cost Reduction: N/A.

Selection: N/A.

New Project Identification: N/A.

Zip Code: 49401.

2. HIGHWAYS (Real Estate) – Resolution “B” (Sale to Abutting Owner)
Tract 1213, Control Section 70996, Parcel 1, Part A

The subject tract is located in the Township of Allendale, Ottawa County, Michigan, and contains approximately 0.6 acres. The tract has one abutting owner and will be land-locked following the relinquishment of the easement that currently provides access to Warner Street (See previous item for relinquishment of easement, Tract 1214.) The tract was appraised by Kenneth F. Visser on June 16, 2009, at \$1,300. The appraised tract was approved for sale by Peter Loftis, Grand Region Real Estate Agent, on August 25, 2009, at the amount of \$1,300. The sole abutting owners, Robert and Lorraine Feenstra, husband and wife, have submitted an Application to Purchase and Agreement of Sale and a check in the amount of \$1,300, which represents payment in full. The tract was offered to the local municipalities prior to being offered to the public per procedural requirements. The property has been declared excess by the Bureau of Highways – Development.

Criticality: This is a revenue-generating sale. Failure to process this transaction would result in lost revenue to the state.

Purpose/Business Case: The purpose of excess property sales is to dispose of state-owned excess property by sale to state agencies, local units of government, or private parties, which returns revenue to the state.

Benefit: MDOT benefits by reducing the inventory of state-owned property and generating revenue.

Funding Source: N/A - revenue generating.

Commitment Level: Excess property is appraised to determine fair market value. The sale price is based on that appraised value.

Risk Assessment: If excess property is not sold, the amount of state revenue will be reduced.

Cost Reduction: The state does not accept less than appraised value.

Selection: N/A.

New Project Identification: N/A.

Zip Code: 49401.

3. HIGHWAYS (Real Estate) – Resolution “C” (Sale to Abutting Owner)
Tract 811, Control Section 81104, Parcel C-192S-RA, Part A

The subject tract is located in the Township of Scio, Washtenaw County, Michigan, and contains approximately 3.06 acres. The Township of Scio, one of the abutting owners, has obtained a Waiver of Opportunity from the other abutting owner stating that the other abutting owner has no interest in purchasing the subject tract. The Township of Scio has submitted an Application to Purchase and Agreement of Sale and a check in the amount of \$19,500, which represents a 10 percent bid deposit. The tract was appraised by Walt Frisbie, University Region Staff Appraiser, on November 3, 2009, at \$195,000. The appraised tract was approved for sale by James Simon, University Region Property Manager, on November 5, 2009, at the amount of \$195,000. The tract was offered to the local municipalities per procedural requirements. The property has been declared excess by the Bureau of Highways – Development.

Criticality: This is a revenue-generating sale. Failure to process this transaction would result in lost revenue to the state.

Purpose/Business Case: The purpose of excess property sales is to dispose of state-owned excess property by sale to state agencies, local units of government, or private parties, which returns revenue to the state.

Benefit: MDOT benefits by reducing the inventory of state-owned property and generating revenue.

Funding Source: N/A.

* Denotes a non-standard contract/amendment

Commitment Level: Excess property is appraised to determine fair market value. The sale price is based on that appraised value.

Risk Assessment: If excess property is not sold, the amount of state revenue will be reduced.

Cost Reduction: The state does not accept less than appraised value.

Selection: N/A.

New Project Identification: N/A.

Zip Code: 48103.

4. HIGHWAYS (Real Estate) – Resolution “D” (Direct Sale to Local Municipality)
Tract 357, Control Section 70041, Parcel 211AP, Part A, Parcel 220AP, Part A

The subject tract is located in the Township of Allendale, Ottawa County, Michigan, and contains approximately 35,812 square feet. The property was appraised by Scott Goeman, Condemnation and Special Projects Unit Supervisor, on August 18, 2009, at \$114,000. The appraised property was approved for sale by Peter Loftis, Grand Region Real Estate Agent, on August 20, 2009, at the amount of \$114,000. The tract is being conveyed with a 10-year reversionary clause restricting the property to a public use. The Township of Allendale has submitted an Application to Purchase and Agreement of Sale and a check in the amount of \$114,000, which represents payment in full. The property was determined to be excess by the Bureau of Highways - Development.

Criticality: This is a revenue-generating sale. Failure to process this transaction would result in lost revenue to the state.

Purpose/Business Case: The purpose of excess property sales is to dispose of state-owned excess property by sale to state agencies, local units of government, or private parties, which returns revenue to the state.

Benefit: MDOT benefits by reducing the inventory of state-owned property and generating revenue.

Funding Source: N/A - revenue generating.

Commitment Level: Excess property is appraised to determine fair market value. The sale price is based on that appraised value.

Risk Assessment: If excess property is not sold, the amount of state revenue will be reduced.

Cost Reduction: The state does not accept less than appraised value.

Selection: N/A.

New Project Identification: N/A.

Zip Code: 49401.

5. AERONAUTICS AND FREIGHT (Aeronautics) – Construction of Terminal Building

Contract (2010-0106) between MDOT and the Harbor/Petoskey Area Airport Authority (HPAAA) will provide state grant funds for the construction of a terminal building (phase II) at the Harbor Springs Municipal Airport in Harbor Springs, Michigan. The contract will be in effect from the date of award through 20 years to comply with a state regulation that requires airports receiving state funding for certain types of projects to remain fully operational for a period of 20 years in accordance with Federal Aviation Administration guidelines. The airport sponsor will have from the date of award through three years to complete the project. The estimated project amount will be \$100,000. Source of Funds: State Restricted Aeronautics Funds - \$95,000; HPAAA Funds - \$5,000.

Criticality: This project will provide for an increase in capacity for passenger operations and administrative services and is essential to creating a safer and more efficient system.

Purpose/Business Case: To provide for the construction of a terminal building (phase II).

Benefit: Will enhance airport safety.

Funding Source: 95% State Restricted Aeronautics Funds and 5% HPAAA Funds.

Commitment Level: The contract is for a fixed cost.

* Denotes a non-standard contract/amendment

Risk Assessment: If the contract is not approved, the project may not proceed as planned, as the local sponsor cannot afford the cost with state participation.

Cost Reduction: The construction was let locally and awarded to the lowest bidder.

Selection: N/A.

New Project Identification: This is a new project.

Zip Code: 49722.

6. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2009-5709) between MDOT and the Mason County Road Commission will provide for participation in the following improvements:

Railroad crossing cross-buck and approach permanent signing upgrading work at 33 locations countywide.

Estimated Funds:

Federal Highway Administration Funds	\$47,570
Total Funds	<u>\$47,570</u>

HRRR 53609 - 100354
Local Force Account

Criticality: This project is intended to increase the visibility of highway-railroad crossings. Delaying this project would adversely affect motorist safety.

Purpose/Business Case: To upgrade signing.

Benefit: Improved visibility of highway-railroad crossings.

Funding Source: Federal High Risk Rural Roads Funds.

Commitment Level: 100% federal.

Risk Assessment: Without this contract, the County cannot receive these federal funds.

Cost Reduction: Local agency to perform work with its own forces at a cost determined to be at least 6 percent less than if it were contracted.

Selection: N/A.

New Project Identification: Improvement of existing highway-railroad crossings.

Zip Code: 49454.

7. HIGHWAYS - Participation for Local Agency Construction Contract
Contract (2009-5715) between MDOT and the Schoolcraft County Road Commission will provide for participation in the following improvements:

Aggregate surfacing work along Fox River Road (County Road 450) from approximately one mile north of Highway M-28 northerly 0.5 miles.

Estimated Funds:

Federal Highway Administration Funds	\$75,193
Schoolcraft County Road Commission Funds	\$18,798
Total Funds	<u>\$93,991</u>

STL 75088 - 102941
Local Force Account

Criticality: Rehabilitation of the roadway is necessary to prevent failure of the roadway. Delaying this project would adversely affect motorist safety.

Purpose/Business Case: To preserve and extend the life of the roadway.

Benefit: Improved and extended life of the roadway.

Funding Source: Federal Surface Transportation Program Funds and Schoolcraft County Road Commission Funds.

Commitment Level: 80% Federal, 20% Schoolcraft County Road Commission.

Risk Assessment: Without this contract, the County cannot receive these federal funds.

Cost Reduction: Local agency to perform work with its own forces at a cost determined to be at least 6 percent less than if it were contracted.

Selection: N/A.

New Project Identification: Improvement of existing roadway.

Zip Code: 49883.

8. HIGHWAYS - Participation for Local Agency Construction Contract

Contract (2009-5725) between MDOT and the Benzie County Road Commission will provide for participation in the following improvements:

Permanent sign upgrading work along Reynolds Road from Fewins Road to County Road 610 (Maple Road).

Estimated Funds:

Federal Highway Administration Funds	<u>\$13,361</u>
Total Funds	<u>\$13,361</u>

HRRR 10609 - 107955

Local Force Account

Criticality: This project is intended to improve the visibility of the roadway. Delaying this project would adversely affect motorist safety.

Purpose/Business Case: To upgrade signing.

Benefit: Increased safety.

Funding Source: Federal High Risk Rural Roads Funds.

Commitment Level: 100% federal.

Risk Assessment: Without this contract, the County cannot receive these federal funds.

Cost Reduction: Local agency to perform work with its own forces at a cost determined to be at least 6 percent less than if it were contracted.

Selection: N/A.

New Project Identification: Improvement of existing signs.

Zip Code: 49650.

9. HIGHWAYS - Participation for Local Agency Contract
 Contract (2009-5734) between MDOT and the Ottawa County Road Commission will provide for participation in the following improvements:

Emergency pavement and slope repair work along West Olive Road approximately 700 feet north of Bingham Street.

Estimated Funds:

Federal Highway Administration Funds	<u>\$1,550</u>
Total Funds	<u>\$1,550</u>

ER 70100 - 105583
 Local Force Account

Criticality: This contract provides for the reimbursement of federal funds to the County for the performance of construction work associated with the temporary repair of a roadway necessitated by damage resulting from the occurrence of a natural disaster over a wide area.

Purpose/Business Case: To reimburse the County for costs incurred in the performance of emergency work essential to public safety.

Benefit: Will allow the County to be reimbursed for eligible costs of emergency work associated with the temporary repair of a roadway.

Funding Source: Federal Emergency Relief Funds.

Commitment Level: 100% federal.

Risk Assessment: Without this contract, the County cannot receive these federal funds.

Cost Reduction: Costs incurred by the County for temporary emergency work are reviewed to make sure they are reasonable and valid.

Selection: N/A.

New Project Identification: Improvement of existing roadway.

Zip Code: 49424.

10. HIGHWAYS - Participation for Local Agency Construction Contract
 Amendatory Contract (2009-5748) between MDOT and the Dickinson County Road Commission will provide for participation in the following improvements:

Guardrail upgrading, culvert extension, and slope flattening work at the following locations:
 Randville Road at Tom King's Creek Crossing (three sites)

Johnson Road at Badwater Creek Crossing
 County Road 607 at Badwater
 Fox Ranch Road at Fumee Creek Crossing
 Thaler Drive at Fitzgerald Creek Crossing
 Alfredson Road at Fitzgerald Creek Crossing
 County Road 573 at The Lakes
 County Road 573 at Pine Creek
 Swan Peterson Road at Brown's Creek Crossing

* Denotes a non-standard contract/amendment

The purpose of this amendment is to provide for the deletion of work at WPA Road and White Creek and at Herzog Road and Tom King’s Creek and the associated decrease in the estimated project cost.

Estimated Funds:

	<u>ORIGINAL</u>	<u>AMEND</u>	<u>TOTAL</u>
Federal Highway Administration Funds	\$240,000	\$(34,000)	\$206,000
Dickinson County Road Commission Funds	<u>\$ 82,200</u>	<u>\$(30,700)</u>	<u>\$ 51,500</u>
Total Funds	<u>\$322,200</u>	<u>\$(64,700)</u>	<u>\$257,500</u>

STH 22609 – 87613

Amendment

Criticality: This amendment will allow the concentration of federal aid toward work at the remaining locations and a proportionate reduction in the local agency’s cost.

Purpose/Business Case: To amend the original contract to delete work at two locations.

Benefit: Will allow the County to be able to fund its share of work for a reduced number of locations.

Funding Source: Federal Surface Transportation Funds and Dickinson County Road Commission Funds.

Commitment Level: \$240,000 federal not to exceed 80% and the balance by Dickinson County Road Commission.

Risk Assessment: Without this amendment, the County will not be able to move forward with the overall project, based on financial expectations.

Cost Reduction: N/A.

Selection: N/A.

New Project Identification: N/A.

Zip Code: 49870.

11. HIGHWAYS - Participation for Local Agency Contract

Contract (2009-5784) between MDOT and the Ottawa County Road Commission will provide for participation in the following improvements:

Permanent culvert replacement and road repair work along West Olive Road approximately 700 feet north of Bingham Street and along Leonard Road approximately 4755 feet west of 74th Avenue and retaining wall work along 72nd Avenue approximately 100 feet north of Chicago Drive.

Estimated Funds:

Federal Highway Administration Funds	\$36,211
Ottawa County Road Commission Funds	<u>\$ 9,053</u>
Total Funds	<u>\$45,264</u>

ER 70100 - 105593

Local Letting and Force Account

Criticality: This contract is for the permanent repair of roadways that suffered serious damage as a result of a natural disaster over a wide area. Delaying this contract would keep the County from being reimbursed for work that is eligible for federal funding.

Purpose/Business Case: To improve drainage and preserve the roadways.

Benefit: Improved drainage and extended life of the roadways.

Funding Source: Federal Emergency Relief Funds and Ottawa County Road Commission Funds.

Commitment Level: 80% federal, 20% Ottawa County Road Commission.

* Denotes a non-standard contract/amendment

Risk Assessment: Without this contract, the County cannot receive these federal funds.

Cost Reduction: Low bid; work performed by local agency with its own forces is at a cost determined to be at least 6 percent less than if it were contracted.

Selection: Low bid.

New Project Identification: Improvement of existing roadways.

Zip Code: 49460.

12. *HIGHWAYS (Real Estate) - Right-of-Way License

Contract (2010-0085) between MDOT and Ammex Tax and Duty Free Shops, Inc., is a license contract that will provide for access to the eastbound ramp from the Blue Water Bridge Plaza for the operation of the duty free facility in the city of Port Huron, Michigan. MDOT will receive 17 percent of the gross sales of all merchandise from the Ammex Tax and Duty Free Shops, Inc., Port Huron store(s) as rent. The contract will be in effect from February 1, 2010, through January 31, 2011. This is a revenue contract; MDOT will be paid an estimated \$1,000,000.

Criticality: This contract will allow MDOT to continue to license the break in limited access location and collect one million dollars per year in revenue.

Purpose/Business Case: To provide the licensee with a break in limited access right-of-way to access the Blue Water Bridge Plaza, in Port Huron, Michigan, for the purpose of operating the Ammex Tax and Duty Free Shops, Inc., store.

Benefit: MDOT benefits by utilizing its property and generating revenue. The State of Michigan will receive approximately one million dollars in revenue for the term of this license.

Funding Source: N/A - revenue generating.

Commitment Level: License rate was determined by contract appraisal.

Risk Assessment: Not approving this license would result in a loss of revenue to the State of Michigan in the amount of approximately one million dollars.

Cost Reduction: The state does not accept less than fair market value.

Selection: N/A.

New Project Identification: This is is not a new project.

Zip Code: 48060.

13. PASSENGER TRANSPORTATION - Section 5309 Program

Project Authorization Revision (Z21/R2) under Master Agreement (2002-0012) between MDOT and the Bay Area Transportation Authority (BATA), which provides transit service in Grand Traverse and Leelanau Counties, will extend the authorization term by one year to provide sufficient time for BATA to purchase the electric buses and a wind turbine. The electric bus project was delayed because of the selected contractor's inability to purchase required parts due to the domestic auto industry slowdown. To help move the wind turbine project forward, BATA is hiring a wind energy consultant and has had discussions with Traverse City Light and Power (TCL&P) about using a TCL&P utility easement as the location for the wind turbine. TCL&P will also purchase from BATA the excess energy from the wind turbines. The original authorization provides state matching funds for BATA's FY 2005 Federal Section 5309 Capital Discretionary Program grant. The revised authorization term will be from March 14, 2006, through March 13 2011. The authorization amount remains unchanged at \$4,708,891. The toll credit amount remains unchanged at \$120,000. The term of the master agreement is from October 1, 2001, until the last obligation between the parties has been fulfilled. The master agreement includes authorizations for program years FY 2002 through FY 2006. Source of Funds: Federal Transit Administration (FTA) Funds - \$3,887,113; FY 2002 State Restricted Comprehensive Transportation Funds - \$821,778.

Criticality: Approval of this revision will provide sufficient time for BATA to complete the electric bus purchases and purchase a wind turbine that will be used to charge the electric buses.

Purpose/Business Case: To extend the authorization term by one year to provide sufficient time for BATA to purchase electric buses and a wind turbine.

Benefit: Increased public safety through improved transportation infrastructure.

Funding Source: FTA Funds - \$3,887,113; FY 2002 State Restricted Comprehensive Transportation Funds - \$821,778

Commitment Level: Authorization amount is based on cost estimates.

Risk Assessment: The risk of not approving this revision is the loss of federal funds.

Cost Reduction: Grant amount is determined by the FTA and is not negotiated.

Selection: N/A.

New Project Identification: This is not a new project.

Zip Code: 49684.

14. PASSENGER TRANSPORTATION - Section 5309 Program

Project Authorization Revision (Z26/R1) under Master Agreement (2002-0064) between MDOT and the Marquette County Transit Authority (County) will extend the authorization term by one year to provide sufficient time for the County to complete the construction of the new transfer facility. The County has had difficulty procuring land in the best possible location for the facility. An implementation plan has now been submitted assuring that the County will have land secured for this project no later than January 30, 2010. The original authorization provides state matching funds for the County's FY 2006 Federal Section 5309 Capital Discretionary Program grant. The revised authorization term will be March 30, 2007, through March 29, 2011.

The authorization amount remains unchanged at \$591,717. The toll credit amount remains unchanged at \$23,085. The term of the master agreement is from October 1, 2001, until the last obligation between the parties has been fulfilled. The master agreement includes authorizations for program years FY 2002 through FY 2006. Source of Funds: Federal Transit Administration (FTA) Funds - \$496,458; FY 2006 State Restricted Comprehensive Transportation Funds - \$95,259.

Criticality: Approval of this revision is critical to ensure that the necessary transportation infrastructure is completed.

Purpose/Business Case: To extend the authorization term by one year to provide sufficient time for the County to complete the facility construction project.

Benefit: Increased public safety through improved transportation infrastructure.

Funding Source: FTA Funds - \$496,458; FY 2006 State Restricted Comprehensive Transportation Funds - \$95,259.

Commitment Level: Authorization amount is based on cost estimates.

Risk Assessment: The risk of not approving this revision is the loss of federal funds.

Cost Reduction: Grant amount is determined by the FTA and is not negotiated.

Selection: N/A.

New Project Identification: This is not a new project.

Zip Code: 49855.

15. PASSENGER TRANSPORTATION - Time Extension

Amendatory Contract (2002-0297/A5) between MDOT and the City of Detroit, Detroit Department of Transportation (DDOT), will extend the contract term by six months to provide sufficient time for DDOT to complete the project. DDOT's construction of transfer point bus stops/shelters at the Northland and Eastland Malls was delayed due to extensive negotiations on the replacement cycle of site repaving between DDOT and mall management. Although work has begun, project work will be suspended during the winter months. Additional time is needed to complete the project, which will resume in spring 2010. The original contract provides state matching funds for DDOT's FY 2001 Federal Section 5307 Urbanized Area Formula Capital Program and Congestion Mitigation and Air Quality Improvement Program grant. The revised contract term will be September 26, 2001, through September 25, 2010. The contract amount remains unchanged at \$3,383,750. Source of Funds: Federal Transit Administration (FTA) Funds - \$2,707,000; FY 2002 and FY 2007 State Restricted Comprehensive Transportation Funds - \$676,750.

Criticality: Approval of this amendment will provide sufficient time for DDOT to complete the construction of the transfer point bus stops/shelters.

Purpose/Business Case: To extend the contract term by six months to provide sufficient time for DDOT to complete the project.

Benefit: Increased public safety through improved transportation infrastructure.

Funding Source: FTA Funds - \$2,707,000; FY 2002 and FY 2007 State Restricted Comprehensive Transportation Funds - \$676,750.

Commitment Level: Contract amount is based on cost estimates.

Risk Assessment: The risk of not approving this amendment is the loss of federal funds.

Cost Reduction: Grant amount is determined by the FTA and is not negotiated.

Selection: N/A.

New Project Identification: This is not a new project.

Zip Code: 48207.

16. PASSENGER TRANSPORTATION – Extend Term, Adjust Line Items

Amendatory Contract (2006-0100/A3) between MDOT and the Beaver Island Transportation Authority (BITA) will extend the contract term by one year to provide sufficient time for BITA to complete the dock repairs. In addition, funds will be moved from the architecture and engineering line item to the terminal upgrades line item to cover the costs of required repairs. The additional time is needed because it was discovered that a portion of the island dock is collapsing and requires reinforcing and reshoring, which cannot be completed until next spring. The original contract provides 90 percent state marine capital funds and 10 percent local matching funds for repairs to the Beaver Island Ferry System, which provides marine passenger service between Charlevoix and Beaver Island. The revised contract term will be from February 10, 2006, through February 9, 2009, and from April 10, 2009, through February 9, 2011. The contract amount remains unchanged at \$297,875. Source of Funds: FY 2006 State Restricted Comprehensive Transportation Funds - \$268,088; BITA Funds: \$29,787.

Criticality: Approval of this amendment is critical to allow BITA to complete essential repairs to a portion of the dock that is failing.

Purpose/Business Case: To extend the contract term by one year to provide sufficient time for BITA to complete the repairs to the island dock.

Benefit: Increased public safety through improved transportation infrastructure.

Funding Source: FY 2006 State Restricted Comprehensive Transportation Funds - \$268,088; BITA Funds - \$29,787.

* Denotes a non-standard contract/amendment

Commitment Level: Contract amount is based on cost estimates.

Risk Assessment: The risk of not approving this amendment is the loss of ferry service and damage to vessels.

Cost Reduction: Grant amount is determined by MDOT based on cost estimates and is not negotiated.

Selection: N/A.

New Project Identification: This is not a new project.

Zip Code: 49782.

17. *PASSENGER TRANSPORTATION – Revise Services, Increase Amount
Amendatory Contract (2009-0085/A1) between MDOT and Indian Trails, Inc., will increase the contract amount by \$520,000, including \$260,000 in federal funds and \$260,000 in state funds, for the continued operation of five intercity bus routes due to revenue decline. In addition, federal and state funds originally appropriated for marketing for FY 2010 have been moved to operations. Changes to the intercity bus routes, which will require adjustments to portions of existing routes, will be made to incorporate service to Sault Ste. Marie. The changes will also include the addition of 27 one-way miles to the system that the carrier will operate for a percentage of the total revenues and at no cost to the state. The contract term remains unchanged, February 1, 2009, through January 31, 2011. The revised contract amount will be \$4,457,830. Source of Funds: Federal Transit Administration (FTA) Funds - \$2,228,915; FY 2009, FY 2010, and FY 2011 State Restricted Comprehensive Transportation Funds - \$2,228,915.

Criticality: Approval of this amendment is critical to prevent the loss of intercity bus service to the rural populations in the state.

Purpose/Business Case: To provide for additional funding for the continued operation of the five rural intercity bus routes and to adjust portions of the existing routes to incorporate service to Sault Ste. Marie.

Benefit: Will ensure the reliability and continuity of intercity bus operations for passengers traveling to and from the Upper Peninsula with links to the national transportation system.

Funding Source: FTA Funds - \$2,228,915; FY 2009, FY 2010, and FY 2011 State Restricted Comprehensive Transportation Funds - \$2,228,915.

Commitment Level: Contract amount is based on cost estimates.

Risk Assessment: The risks of not approving this amendment are the loss of federal funds, the loss of a safe environment for intercity bus passengers, and the loss of a reliable service for passengers traveling within the state, to and from the Upper Peninsula, and connecting to the national transportation system

Cost Reduction: N/A.

Selection: Most responsive/best value.

New Project Identification: This is not a new project.

Zip Code: 48909.

18. *PASSENGER TRANSPORTATION - High Speed Rail and Innovative Project Advancement
Contract (2010-0067) between MDOT and the National Railroad Passenger Corporation (Amtrak) will provide \$938,000 in federal funds for the continuing stabilization and rehabilitation of the historic Jackson Amtrak Depot and adjacent storage facility. The goal of the City of Jackson is to develop the property into an operational intermodal facility. The work will include infrastructure and operational repairs, including drainage, masonry, platform, and mechanical work and Americans with Disabilities Act compliant upgrades. The contract will be in effect from the date of award through September 30, 2012. The contract amount will be \$938,000. Source of Funds: Federal Highway Administration (FHWA) Funds/American Recovery and Reinvestment Act of 2009 (ARRA) - \$938,000.

Criticality: Approval of this contract is critical to maintain the integrity of the existing buildings and avoid the need for more extensive work and additional funding.

Purpose/Business Case: To provide for the continuation of work to stabilize and rehabilitate the Jackson Amtrak Depot and Express buildings in the City of Jackson.

Benefit: Will allow the historic buildings identified in the Jackson Amtrak Depot Intermodal Feasibility Study to be stabilized and rehabilitated while the study committee continues to seek additional funding from the Federal Enhancement Program.

Funding Source: FHWA Funds (ARRA) - \$938,000.

Commitment Level: Contract amount is based on cost estimates.

Risk Assessment: If this contract is not approved, the buildings will continue to deteriorate and preservation of this historic site could be jeopardized.

Cost Reduction: Completing the work at this time will avoid the need for more extensive work and additional funding that would be required if the buildings were allowed to continue to deteriorate.

Selection: N/A.

New Project Identification: This is a new project.

Zip Code: 49201.

19. *PASSENGER TRANSPORTATION - Rail Passenger Operating

Retroactive Contract (2010-0105) between MDOT and the National Railroad Passenger Corporation (Amtrak) will provide 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, and between Grand Rapids, Holland, Bangor, St. Joseph/Benton Harbor, and New Buffalo, Michigan, and Chicago, Illinois. Retroactive approval is necessary to provide for continuation of ongoing rail passenger service without interruption. The contract is retroactive because negotiations took longer than anticipated due to fuel consumption rates being confirmed by Amtrak prior to Amtrak's initial FY 2010 subsidy request. The contract will be in effect from October 1, 2009, through May 31, 2010. The contract amount will be \$5,667,000. Source of Funds: FY 2010 State Restricted Comprehensive Transportation Funds - \$5,667,000.

Criticality: Approval of this contract is critical to the continued provision of rail passenger service at the current levels statewide. Without this contract, Amtrak's operation of the state supported services would be terminated.

Purpose/Business Case: To provide funding to Amtrak 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, and between Grand Rapids, Holland, Bangor, St. Joseph/Benton Harbor, and New Buffalo, Michigan, and Chicago, Illinois for FY 2010.

Benefit: This service provides the people of Michigan a balanced transportation system.

Funding Source: FY 2010 State Restricted Comprehensive Transportation Funds - \$5,667,000.

Commitment Level: Contract amount is based on cost estimates.

Risk Assessment: If this contract is not approved, rail passenger service to Michigan's traveling public outside of the Detroit -Chicago Corridor could be discontinued.

Cost Reduction: Amtrak and MDOT continue to work together to provide a service that continues to increase ridership and revenues. Continued increases in ridership and revenues will decrease the cost of operation.

Selection: N/A.

New Project Identification: This is a continuation of previous years' service.

Zip Code: 48909.

Commitment Level: The contract cost is not fixed. It is based on the engineer's best estimate of probable construction cost. The contract's final cost will be based on actual quantities built in the field and unit prices bid by the contractor.

Risk Assessment: The deterioration of the existing State trunkline bridges, reduced safety, and increased vehicle maintenance and operational costs to the motoring public.

Cost Reduction: Reduced roadway maintenance costs.

New Project Identification: Rehabilitation.

Selection: Low bid.

Zip Code: 49781.

21. LETTING OF JANUARY 08, 2010
 PROPOSAL 1001010 \$ ENG. EST. \$ LOW BID
 PROJECT BHT 27041-105642 \$ 636,249.85 \$ 717,361.71
 LOCAL AGRMT. % OVER/UNDER EST.
 START DATE - MAY 31, 2010
 COMPLETION DATE - SEPTEMBER 24, 2010 12.75 %

Deck patching, removal of end header, painting, beam end repair, pin and hanger replacement, joint replacement, pier patching, approach work, and maintaining traffic on US-2 over Tenderfoot Creek and on M-28 over Presque Isle River, Gogebic County. This project includes a 2 year bridge painting warranty.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Hebert Construction Company	\$ 717,361.71	Same	1 **
Zenith Tech, Inc.	\$ 783,251.30	Same	2
Snowden, Inc.	\$ 804,729.03	Same	3
Bacco Construction Company			
J. Slagter & Son Construction Co.			
Midwest Bridge Company			
Seaway Painting, L.L.C.			
Central Painting, Inc.			
Icarus Industrial Painting			
A. Lindberg & Sons, Inc.			
Anlaan Corporation			

3 Bidders

Criticality: This construction project will create or retain jobs within the State of Michigan. Delaying the project would adversely impact employment in the State. This construction project is adding improvements to the existing roadway system, thereby increasing the safety of the roadway, improving access to tourists visiting Michigan, and/or improving commerce across the State. Delaying the project will adversely impact these necessary components of Michigan's economy, as well as to the traveling public. Delays to the project would jeopardize federal funds that are allocated to the State of Michigan.

Purpose/Business Case: MDOT's Bridge Preservation Program focuses on repairing the worst bridges first and extending the life of bridges to keep them in good condition.

Benefit: MDOT attempts to maximize benefits by using an asset management philosophy that develops programs that are prioritized projects based on such factors as traffic volume, cost/benefit, ride quality, safety, user savings, maintenance savings, and condition of bridges.

Funding Source:

105642A
 Federal Highway Administration Funds 80.00 %
 State Restricted Trunkline Funds 20.00 %

Commitment Level: The contract cost is not fixed. It is based on the engineer's best estimate of probable construction cost. The contract's final cost will be based on actual quantities built in the field and unit prices bid by the contractor.

Risk Assessment: The deterioration of the existing State trunkline bridges, reduced safety, and increased vehicle maintenance and operational costs to the motoring public.

Cost Reduction: Reduced roadway maintenance costs.

New Project Identification: Rehabilitation.

Selection: Low bid.

Zip Code: 49920.

22. LETTING OF JANUARY 08, 2010
 PROPOSAL 1001048 \$ 547,493.23 \$ 735,843.30
 PROJECT STT 77051-106616, ETC
 LOCAL AGRMT. % OVER/UNDER EST.
 START DATE - AUGUST 16, 2010
 COMPLETION DATE - OCTOBER 29, 2010 34.40 %

3.09 mi of microsurfacing with overband crack fill, epoxy overlay, deck patching, end header replacement, substructure repair, and approach work on M-29 from Greenwood Road to Broadbridge Road and on 4 bridges on M-29 in the city of Algonac, St. Clair County. This project includes a 2 year pavement performance warranty.

A 2010 highway preventive maintenance project.

0.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Pavement Maintenance Systems, LLC	\$ 735,843.30	Same	1 **
Strawser Construction Inc.	\$ 754,690.00	Same	2

2 Bidders

Criticality: This construction project will create or retain jobs within the State of Michigan. Delaying the project would adversely impact employment in the State. This construction project is adding improvements to the existing roadway system, thereby increasing the safety of the roadway, improving access to tourists visiting Michigan, and/or improving commerce across the State. Delaying the project will adversely impact these necessary components of Michigan's economy, as well as to the traveling public. Delays to the project would jeopardize federal funds that are allocated to the State of Michigan.

Purpose/Business Case: This project is supported by two programs: MDOT's Bridge Preservation Program and the Capital Preventive Maintenance Program. MDOT's Bridge Preservation Program's focuses on repairing the worst bridges first and extending the life of bridges to keep them in good condition. The Capital Preventive Maintenance Program's intent is to preserve the structural integrity and extend the service life of the State trunkline system through a planned strategy of cost-effective maintenance treatments to the existing roadway system.

Benefit: MDOT attempts to maximize benefits by using an asset management philosophy that develops programs that prioritize projects based on such factors as traffic volume, cost/benefit, ride quality, safety, user savings, maintenance savings, and condition of bridges. The treatments expected for this project will delay future deterioration and maintain, or improve, the functional condition of the system resulting in longer pavement surface life; delaying the need for more expensive rehabilitation, or reconstruction treatments.

Funding Source:

106616A

Federal Highway Administration Funds	81.85 %
State Restricted Trunkline Funds	18.15 %

106678A

Federal Highway Administration Funds	80.00 %
State Restricted Trunkline Funds	20.00 %

Commitment Level: The contract cost is not fixed. It is based on the engineer's best estimate of probable construction cost. The contract's final cost will be based on actual quantities built in the field and unit prices bid by the contractor.

Risk Assessment: Deterioration of the existing State trunkline bridges causing increased risk of injury/accidents to the motoring public. Increased vehicle and road construction maintenance.

Cost Reduction: Reduced roadway and vehicle maintenance costs.

New Project Identification: Maintenance and rehabilitation.

Selection: Low bid.

Zip Code: 48001.

Commitment Level: The contract cost is not fixed. It is based on the engineer's best estimate of probable construction cost. The contract's final cost will be based on actual quantities built in the field and unit prices bid by the contractor.

Risk Assessment: If the project is not awarded, the bridge will deteriorate further and possibly impact vehicular traffic to the point of restricting emergency services.

Cost Reduction: This is a construction contract. The low bidder is awarded the project. Any negotiations made prior to award of the contract are in violation of federal regulation and MDOT specifications.

New Project Identification: Bridge replacement.

Selection: Low bid.

Zip Code: 49349.

POST-AWARD REPORTING

BID LETTING

STATE PROJECTS

24.	LETTING OF SEPTEMBER 10, 2009	ENG. EST.	BEST VALUE
	PROPOSAL 0909701	\$ 3,229,000.00	\$ 4,050,000.00
	PROJECT ARE 82293-105836		
	LOCAL AGRMT.		% OVER/UNDER EST.
	START DATE - 10 days after award		
	COMPLETION DATE - MARCH 02, 2012		25.43 %

7.47 mi of trail design and reconstruction, hot mix asphalt pavement, geometric improvements, bridge replacements and rehabilitation, upgrades to pedestrian traffic signals and ADA ramps, signing improvements, and pavement marking upgrades on I-275 from US-12 (Michigan Avenue) northerly to Edward Hines Drive in the townships of Canton and Plymouth, Wayne County.

This project is funded with American Recovery and Reinvestment Act funds.

10.00 % DBE participation required

BIDDER	BID POINTS	BEST VALUE AMOUNT	
Angelo Iafrate Construction Company	225	\$ 4,050,000.00	1 **
Dan's Excavating, Inc.	186	\$ 4,473,280.00	2
Anlaan Corporation	182	\$ 4,950,000.00	3
Posen Construction, Inc.	179	\$ 4,956,000.00	4
ABC Paving Company			

4 Bidders

NOTE: The BEST VALUE equation is calculated as follows:

Bid Points = (Low Bid / Bid Amount) * 100 (maximum bid point value)

Best Value = Total Quality Score (maximum 125) + Total Bid Score (maximum 100)

BIDDER	AS-SUBMITTED	AS-CHECKED	
Cadillac Asphalt, L.L.C.	\$ 1,222,703.92	Same	1 **
Barrett Paving Materials Inc.	\$ 1,296,480.00	Same	2
Ajax Paving Industries, Inc.	\$ 1,461,128.26	Same	3
Pro-Line Asphalt Paving Corp.			

3 Bidders

34. LETTING OF OCTOBER 02, 2009	ENG. EST.	LOW BID	
PROPOSAL 0910028	\$ 900,683.25	\$ 759,345.53	
PROJECT ARUL 38409-106179			
LOCAL AGRMT. 09-5561		% OVER/UNDER EST.	
START DATE - 10 days after award			
COMPLETION DATE - JULY 30, 2010		-15.69 %	

0.37 mi of road reconstruction including hot mix asphalt pavement removal, aggregate base, concrete curb and gutter, hot mix asphalt pavement, and drainage improvements on North Jackson Street from Glick Highway to Ganson Street in the city of Jackson, Jackson County.

This project is funded with American Recovery and Reinvestment Act funds.

10.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Concord Excavating & Grading, Inc.	\$ 759,345.53	Same	1 **
C & D Hughes, Inc.	\$ 783,759.62	Same	2
Bailey Excavating, Inc.	\$ 798,616.28	Same	3
Mead Bros. Excavating Inc.	\$ 809,787.26	Same	4
Hoffman Bros., Inc.	\$ 885,690.61	Same	5
Dunigan Bros. Inc.	\$ 909,540.25	Same	6
San Marino Excavating, Inc.	\$ 1,044,654.35	Same	7
C L Trucking & Excavating, LLC	\$ 1,045,918.90	Same	8
RMD Holdings, Ltd.	\$ 1,062,138.40	Same	9
C & G Myers Construction, LLC	\$ 1,073,364.76	Same	10
Barrett Paving Materials Inc.			
Goretski's Construction Company			
Michigan Paving and Materials Comp			
Milbocker and Sons, Inc.			
Rieth-Riley Construction Co., Inc.			
Nashville Construction Company			
Brenca Contractors, Inc.			

10 Bidders

BIDDER	AS-SUBMITTED	AS-CHECKED	
Ajax Paving Industries, Inc.	\$ 2,492,218.44	Same	1 **
Cadillac Asphalt, L.L.C.	\$ 2,635,654.02	Same	2
Barrett Paving Materials Inc.			
ABC Paving Company			

2 Bidders

37.	LETTING OF NOVEMBER 06, 2009	ENG. EST.	LOW BID
	PROPOSAL 0911015	\$ 1,211,359.30	\$ 1,199,843.12
	PROJECT ARL 29001-82650		
	LOCAL AGRMT. 09-5553		% OVER/UNDER EST.
	START DATE - MAY 17, 2010		
	COMPLETION DATE - AUGUST 13, 2010		-0.95 %

4.05 mi of hot mix asphalt resurfacing, base crushing and shaping, aggregate shoulders, culverts, guardrail, and slope restoration on Lumberjack Road from M-46 northerly to North County Line Road, Gratiot County.

This project is funded with American Recovery and Reinvestment Act funds.

10.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
D. J. McQuestion & Sons, Inc.	\$ 1,199,843.12	Same	1 **
Central Asphalt, Inc.	\$ 1,204,869.18	Same	2

2 Bidders

38.	LETTING OF NOVEMBER 06, 2009	ENG. EST.	LOW BID
	PROPOSAL 0911020	\$ 463,636.97	\$ 403,457.82
	PROJECT ARL 28055-106303		
	LOCAL AGRMT. 09-5599		% OVER/UNDER EST.
	START DATE - MAY 31, 2010		
	COMPLETION DATE - JULY 02, 2010		-12.98 %

1.37 mi of hot mix asphalt resurfacing, base crushing and shaping, aggregate shoulders, guardrail, slope restoration, and pavement marking on Karlin Road from Youker Road northerly to M-137, Grand Traverse County.

This project is funded with American Recovery and Reinvestment Act funds.

BIDDER	AS-SUBMITTED	AS-CHECKED	
Rieth-Riley Construction Co., Inc.	\$ 403,457.82	Same	1 **
Elmer's Crane and Dozer, Inc.	\$ 474,655.82	Same	2
D. J. McQuestion & Sons, Inc.			

2 Bidders

BIDDER	AS-SUBMITTED	AS-CHECKED	
Boddy Construction Company, Inc.	\$ 409,928.11	Same	1 **
Teltow Contracting, Inc.	\$ 424,777.55	Same	2
D.L.F., Inc.	\$ 425,726.23	Same	3
S.A. Torello Demolition, Inc.	\$ 430,155.47	Same	4
Cortis Brothers Trucking & Excav.	\$ 439,664.32	Same	5
T. R. Pieprzak Co.	\$ 440,403.50	Same	6
Pamar Enterprises, Inc.	\$ 446,343.47	Same	7
DiPonio Contracting, Inc.	\$ 448,977.57	Same	8
Barrett Paving Materials Inc.	\$ 449,903.64	Same	9
Florence Cement Company	\$ 455,611.56	Same	10
Pro-Line Asphalt Paving Corp.	\$ 462,426.28	Same	11
Raymond Excavating Company	\$ 473,361.87	Same	12
ABC Paving Company	\$ 477,791.07	Same	13
Service Construction, L.L.C.	\$ 480,809.07	Same	14
L.J. Construction, Inc.	\$ 498,565.20	Same	15
Blade Action, Inc.	\$ 673,933.26	Same	16
Ace Asphalt & Paving Company			
John Carlo, Inc.			
Ajax Paving Industries, Inc.			
Fisher Contracting Company			

16 Bidders

43.	LETTING OF DECEMBER 04, 2009	ENG. EST.	LOW BID
	PROPOSAL 0912041	\$ 712,767.72	\$ 572,308.58
	PROJECT ARL 17033-89931		
	LOCAL AGRMT. 09-5687		% OVER/UNDER EST.
	START DATE - 10 days after award		
	COMPLETION DATE - JULY 02, 2010		-19.71 %

5.00 mi of culvert replacement, machine grading, hot mix asphalt paving, shoulders, pavement marking, and traffic control on Riverside Drive from 4 Mile Road to 9 Mile Road, Chippewa County.

This project is funded with American Recovery and Reinvestment Act funds.

3.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Payne & Dolan Inc.	\$ 572,308.58	Same	1 **
Bacco Construction Company	\$ 692,807.58	Same	2
Rieth-Riley Construction Co., Inc.	\$ 707,325.60	Same	3

3 Bidders

BIDDER	AS-SUBMITTED	AS-CHECKED	
Site Development, Inc.	\$ 4,277,285.48	Same	1 **
Tony Angelo Cement Construction	\$ 4,280,936.47	Same	2
Stante Excavating Co., Inc.	\$ 4,287,797.00	Same	3
Florence Cement Company	\$ 4,398,302.22	Same	4
Dan's Excavating, Inc.	\$ 4,423,919.51	Same	5
Angelo Iafrate Construction Company	\$ 4,444,446.55	Same	6
Walter Toebe Construction Company	\$ 4,491,260.53	Same	7
Pamar Enterprises, Inc.	\$ 4,725,449.53	Same	8
C & D Hughes, Inc.	\$ 5,144,793.31	Same	9
DiPonio Contracting, Inc.			
Interstate Highway Construction			
Major Cement Co.			
ABC Paving Company			
V.I.L. Construction, Inc.			
Ajax Paving Industries, Inc.			
C & G Myers Construction, LLC			
John Carlo, Inc.			

9 Bidders

46.	LETTING OF DECEMBER 04, 2009	ENG. EST.	LOW BID
	PROPOSAL 0912006	\$ 1,281,429.50	\$ 854,326.93
	PROJECT STL 47555-104515, ETC		
	LOCAL AGRMT. 09-5657		% OVER/UNDER EST.
	START DATE - MAY 10, 2010		
	COMPLETION DATE - 60 calendar days		-33.33 %

2.06 mi of cold milling hot mix asphalt, crushing and shaping, resurfacing, pavement repairs, concrete curb and gutter, and aggregate shoulders on Old US-23 Highway from Dean Road northerly to Center Road and from Faussett Road northerly to Dean Road, Livingston County.

34.54% of this project is funded with American Recovery and Reinvestment Act Funds.

10.00 % DBE participation required

BIDDER	AS-SUBMITTED	AS-CHECKED	
Cadillac Asphalt, L.L.C.	\$ 854,326.93	Same	1 **
Ace Asphalt & Paving Company	\$ 854,633.76	Same	2
Ajax Paving Industries, Inc.	\$ 909,455.00	Same	3
Barrett Paving Materials Inc.	\$ 1,011,870.76	Same	4
Pro-Line Asphalt Paving Corp.	\$ 1,193,835.16	Same	5
ABC Paving Company			

5 Bidders

Administrative Board Approval Date:	February 3, 2009	
Contract Date:	March 19, 2009	
Original Contract Amount:	500,428.50	
Total of Overruns/Changes (Approved to Date):	(11,408.15)	- 2.28%
Total of Extras/Adjustments (Approved to Date):	70,275.00	+ 14.04%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>1,665.00</u>	<u>+ 0.33%</u>
Revised Total	<u>\$560,960.35</u>	+ 12.09%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 11.76% over the original budget for an **Authorized to Date Amount** of \$559,295.35.

Approval of this extra will place the authorized status of the contract 12.09% or \$60,531.85 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2009-094	1	\$70,275.00	07/21/09

Contract Modification Number(s): 2 r. 1

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 2

Remove and Replace Downspout Brackets		\$1,600.00
Guardrail Reflector	13.000 Ea @ \$5.00/Ea	<u>65.00</u>
Total		<u>\$1,665.00</u>

CM 2

While placing structural steel in the plan locations 4 locations were found where metal downspout brackets were welded to the fascia beam and in the way of placing steel. In order to place steel at the correct location, according to the plans, the existing downspout brackets needed to be removed, raised and replaced. The extra cost for Remove and Replace Downspout Brackets was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction. The cost was deemed reasonable when compared with similar items and quantities in MDOT's Average Unit Prices.

There was no pay item for guardrail reflectors in the original plans but they are considered to be necessary for improved roadway safety. The extra cost for Guardrail Reflector was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and was deemed reasonable when compared with MDOT's Average Unit Price Index.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 90%; State Restricted Trunkline, 10%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48708.

51. **Extra 2010 - 06**

Control Section/Job Number: 73171-75246 MDOT Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Interstate Highway Construction
P.O. Box 4356
Englewood, CO 80155

Designed By: MDOT
Rowe, Inc.
HH Engineering, Limited
URS Corporation Great Lakes

Engineer's Estimate: \$54,000,289.38

Description of Project:

6.67 miles of concrete reconstruction, widening and median enclosure, drainage and safety improvements on I-75 from Birch Run Creek northerly to Dixie Highway, and superstructure replacement on I-75 over Dixie Highway, bridge widening on I-75 over the Cass River, and bridge rehabilitation on I-75 under Maple Road, Curtis Road, Riverview Drive and Townline Road, Saginaw County. This project includes a 5 year material and workmanship pavement warranty.

Administrative Board Approval Date:	September 19, 2006	
Contract Date:	October 03, 2006	
Original Contract Amount:	\$49,944,782.37	
Total of Overruns/Changes (Approved to Date):	(\$4,387,157.32)	- 8.78%
Total of Extras/Adjustments (Approved to Date):	5,675,323.14	+ 11.36%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>189,476.22</u>	<u>+ 0.38%</u>
Revised Total	<u>\$51,422,424.41</u>	2.96%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 2.58% over the original budget for an **Authorized to Date Amount** of \$51,232,948.19.

Approval of this extra will place the authorized status of the contract 2.96% or \$1,477,642.04 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2007-93	1 r. 2	\$4,576,923.49	07/03/07
2007-142	4 r. 2	\$166,711.80	10/02/07
2007-170	5, 7 r. 1	\$256,488.00	11/06/07
2007-179	9, 10	\$42,112.50	12/04/07
2008-053	11, 14 r. 2	\$170,215.25	04/01/08
2008-107	19	\$1,693.74	08/05/08
2008-123	17	\$178,683.04	09/02/08
2008-158	23 r. 1, 24 r. 1	\$195,856.29	11/05/08
2009-011	25 r. 1	\$71,533.99	02/03/09

Contract Modification Number(s): 29 r. 3

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 29

75246A

Aggregate Base Mod 6" (4G Mod Limestone)	660.890 Syd @ \$7.22/Syd	\$4,771.63
Damaged & Replaced Barr, Lights	45.000 Ea @ \$15.00/Ea	675.00
Un-bag Traffic Signals	2.000 Ea @ \$210.00/Ea	420.00
Steel Sheet Piling, Temp, Left in Place	3,822.010 Sft @ \$37.04/Sft	141,567.25
Subbase, CIP Less than 6% Wash	264.580 Cyd @ \$0.96/Cyd	254.00
Dixie Hwy Force Acct HMA 4C Increase		16,407.24
Force Account Median Drainage at POE		16,017.75
Mobilize and Begin Excavation Truss Foundation		3,457.63
Guardrail Anch, Bridge, Det T5	1.000 Ea @ \$2,047.47/Ea	2,047.47
Guardrail Approach Terminal, Type 1B	1.000 Ea @ \$2,283.75/Ea	2,283.75
Guardrail Departing Terminal, Type B	1.000 Ea @ \$865.75/Ea	865.75
Guardrail, Curved, Type B	25.000 Ft @ \$28.35/Ft	708.75
Total		<u>\$189,476.22</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 29

When this project was let, the aggregate base material proposed for the project was a crushed concrete material coated with an asphalt emulsion. The reason crushed concrete was specified was that it would be better for the environment by reusing some of our materials. The asphalt emulsion is used to coat the crushed concrete so it does not leach small particles that can plug the underdrain.

The contractor proposed using MDOT's standard crushed limestone material for the aggregate base on the project. This would alleviate concerns over the crushed concrete leaching into the underdrain and would also help them with the placement of the material. To use the asphalt emulsion they would need to subcontract the work to another company; with the crushed limestone they could do the work.

The engineer accepted the use of crushed limestone; however, to continue with MDOT's plan to help the environment and recycle material, the crushed concrete material could be used under the shoulders and median concrete barrier. This is far enough away from the underdrain that it will not leach and plug the underdrain, therefore, it will not need to be coated with asphalt emulsion. To help with drainage on the project, the crushed concrete material will be extended to the outside ditch so water can drain directly to the ditch in this area and further help with leaching concerns.

The extra cost for Aggregate Base Modified 6" (4G Mod Limestone) was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction. The costs were deemed reasonable when compared with similar items and quantities in MDOT's Average Unit Price Index. The extra work is completely offset by a reduction in the original bid items as previously approved on contract modification number 1 revision 2. This request is to balance this item out to final field measurement.

Section 812.04 of the 2003 Standard Specifications for Construction requires MDOT to reimburse the contractor for damaged lights at a maximum rate of \$15 per light. The rate is variable and is reimbursed to the contractor at the cost of the respective traffic control device that the light is mounted to, and does not exceed \$15 per light. Lights on plastic drums are used to direct and control traffic in the work zone and are sometimes damaged by passing motorists. The extra work item Damaged and replaced barr. Lights will reimburse the contractor for damaged lights at the maximum rate of \$15 per light, as the traffic control device unit cost was over \$15.

Traffic control on Dixie Hwy. requires moving traffic back and forth multiple times during construction. With these switches the contractor needs to un-bag different lights at different times. The extra item Un-bag Traffic Signals was originally set up on contract modification number 9 and this modification will balance the item to date. The time, equipment, materials and costs necessary to complete the work were determined using a process similar to the force account work process. The costs were deemed reasonable based on comparison to certified payrolls, the Blue Book equipment rental rates, and actual costs for materials, and negotiation per Section 103.04 of the Standard Specifications for Construction.

The plans indicated that temporary sheet piling would be needed at the ends of the cross culverts. The engineer determined that the sheet piling should not be removed due to damage to the new roadway. The engineer directed the contractor to leave the sheet piling in place and cut it off below the road bed. A reduction in the original item, Steel Sheet Piling, Temp, on contract modification #28 offsets the extra cost for Steel Sheet Piling, Temp, Left in Place. The extra cost for Steel Sheet Piling, Temp, Left in Place was negotiated per Section 103.04 of the Standard Specifications for Construction and deemed reasonable when compared to MDOT's Average Unit Price Index. This work was completed by a subcontractor; therefore, the costs include a five percent markup for the prime contractor, as per Section 109.07.G of the 2003 Standard Specifications for Construction.

The standard specifications allow using a sand material for subbase that has a loss by wash of up to 8 percent. The engineer requested the contractor to use cleaner sand due to the use of crushed concrete for the open graded material. The concern with using crushed concrete is that some of the fine material may be washed out and plug the underdrain. As long as enough subbase material is located between the open graded material and the underdrain, crushed concrete is allowed to be used. The engineer requested the cleaner subbase to help insure that the underdrain does not get plugged with fine material. The extra costs for the Subbase, CIP Less than 6% Wash were negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and deemed reasonable when compared to similar items in MDOT's Average Unit Price Index.

Work order #32 directed the contractor to mill and resurface 1.5" on Dixie Hwy under I-75 that was not detailed on the plans. The work was performed on a force account basis according to Section 109.07 of the 2003 Standard Specifications for Construction. The extra cost for Dixie Hwy Force Acct HMA 4C Increase is the difference in the unit price between the contract item HMA 4C and the invoiced price for HMA 4C that was submitted by the contractor.

During heavy rains the traveled lanes would hold water. The contractor was directed to trench in 2 runs of 6 inch perforated tile to increase the drainage in the median. The work was performed on a force account basis according to Section 109.07 of the 2003 Standard Specifications for Construction. Force account work is to be used when MDOT and the contractor can not come to an agreement on the price of an extra. Force account work compensates the contractor based on the following: actual labor costs, actual materials costs, and equipment hours worked and the "Rental Rate Blue Book for Construction."

This extra is for invoiced costs for mobilization to begin excavation on the truss foundation (Structure no. B075 Plan Page 316). MDOT decided that sheeting needed to be installed due to soil conditions but sheeting was not set up on the project. Therefore, work was stopped until sheeting could be installed at a later date. The extra cost for Mobilize and Begin Excavation Truss Foundation was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction. The costs were deemed reasonable when compared with the equipment and materials needed to complete the work. Since the work was completed by a subcontractor, the costs include a five percent markup for the prime contractor, as per Section 109.07.G of the 2003 Standard Specifications for Construction.

Guardrail items were needed on Dixie Highway at the newly constructed pier and they were not included in the original quantities. The extra cost for Guardrail Anch, Bridge, Det T5; Guardrail Approach Terminal, Type 1B; Guardrail Departing Terminal, Type B and Guardrail, Curved, Type B were negotiated per Section 103.04 of the 2003 Standard Specifications for Construction. The cost was deemed reasonable when compared with MDOT's Average Unit Price Index. The cost includes a five percent markup for the prime contractor, as per Section 109.07.G of the 2003 Standard Specifications for Construction.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: These extra items are essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source:

- 75246A: State Restricted Trunkline, 100%;
- 84897A: FHWA, 89.59%; State Restricted Trunkline, 9.95%; SBC Communications, 0.46%;
- 84983A: FHWA, 90.00%; State Restricted Trunkline, 10.00%;
- 86083A: FHWA, 90.00%; State Restricted Trunkline, 10.00%;
- 87227A: State Restricted Trunkline, 100%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: These items are required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48722.

52. **Extra 2010 - 07**

Control Section/Job Number: 77475-102886 Local Agency Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Ajax Paving Industries, Inc.
830 Kirts Blvd., Suite 100
Troy, MI 48084

Designed By: WadeTrim
Engineer's Estimate: \$370,750.00

Description of Project:

1.26 mi of hot mix asphalt cold milling, resurfacing, and concrete sidewalk on Michigan Avenue from Ravenswood Road to Gratiot Avenue in the city of Marysville, St. Clair County.

Administrative Board Approval Date:	July 15, 2008	
Contract Date:	August 11, 2008	
Original Contract Amount:	\$340,112.24	
Total of Overruns/Changes (Approved to Date):	33,687.12	+ 9.90%
Total of Extras/Adjustments (Approved to Date):	11,329.19	+ 3.33%
Total of Negative Adjustments (Approved to Date):	0.0	+ 0.00%
THIS REQUEST	<u>92,931.41</u>	<u>+ 27.32%</u>
Revised Total	<u>\$478,059.96</u>	+ 40.56%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 13.24% over the original budget for an **Authorized to Date Amount** of \$385,128.55.

Approval of this extra will place the authorized status of the contract 40.56% or \$137,947.72 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board: None

Contract Modification Number(s): 4

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 4

HMA Temp Pavt, 4C, Modified	54,530 Syd @ \$42.75/Syd	\$2,331.16
HMA, 36A, 1 1/4"	13,832.100 Syd @ \$5.52/Syd	76,353.19
Cold Milling HMA Surface	13,832.100 Syd @ \$1.03/Syd	<u>14,247.06</u>
Total		<u>\$92,931.41</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 4

Utility trenches settled during paving operations in September 2008 and needed temporary patching for the winter due to the potential for ponding during freeze/thaw cycles, which would cause a hazard to the traveling public. The item HMA Temp Pavt, 4C, Modified was originally added to the project on contract modification number two (2) and this is to balance it to final field measure. The extra cost was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and is reasonable when compared to MDOT's Average Unit Price Index.

These new pay items, HMA, 36A, 1 1/4" and Cold Milling HMA Surface, are necessary because when Michigan Avenue was resurfaced in September 2008, several depressions were created leaving an uneven driving surface. After several meetings between the Owner, Engineer, Contractor and MDOT, the general consensus is that the defects were caused by the use of vibratory rollers in conjunction with existing utility trenches.

The agreed upon fix for the depressions was to Cold Mill the road. The depths were one (1") inch for the Cold Milling HMA Surface and one and one quarter (1 1/4") inches of HMA, 36A. The HMA, 36A was placed without use of vibratory effort to compact the asphalt. Even without vibratory effort, a density was maintained at an average of 98%.

The costs derived for the solution was \$151,000 (cold milling and HMA placement) and due to the shared responsibility of the workmanship and the poor soil conditions, the Contractor and the Owner agreed upon a costs-sharing of 40% Contractor and 60% Owner. The overall square yard measurement for mainline paving is 23,053.5 Syd, therefore, the new work items added are written for 60% or 13,832.1 Syd. The extra cost was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and is reasonable when compared to original bid items and MDOT's Average Unit Price Index.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 81.85%; City of Marysville, 18.15%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48040.

53. **Extra 2010 - 08**

Control Section/Job Number: 81609-86104 Local Agency Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Atsalis Brothers Painting Company
22189 E. Fourteen Mile Road
Clinton Twp., MI 48035

Designed By: Spalding DeDecker Associates, Inc.
Engineer's Estimate: \$2,599,683.40

Description of Project:

0.30 mi of intersection reconstruction consisting of hot mix asphalt removal, paving, concrete curb and gutter, storm sewer construction and bridge painting on Geddes Road at South Huron Parkway and on South Huron Parkway from Geddes Road northerly to Fuller Road in the city of Ann Arbor, Washtenaw County. This project includes a 2 year bridge painting warranty.

Administrative Board Approval Date:	May 1, 2007	
Contract Date:	May 9, 2007	
Original Contract Amount:	\$2,323,283.95	
Total of Overruns/Changes (Approved to Date):	103,481.80	+ 4.45%
Total of Extras/Adjustments (Approved to Date):	190,930.49	+ 8.22%
Total of Negative Adjustments (Approved to Date):	(213,900.00)	- 9.21%
THIS REQUEST	<u>223,760.67</u>	+ <u>9.63%</u>
Revised Total	<u>\$2,627,556.91</u>	+ 13.09%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 3.47% over the original budget for an **Authorized to Date Amount** of \$2,403,796.24.

Approval of this extra will place the authorized status of the contract 13.09% or \$304,272.96 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2008-176	21	\$7,570.00	11/18/08
2009-072	24, 26	\$47,434.07	07/21/09

Contract Modification Number(s): 29, 30

These contract modifications request payment for the following Extra(s)/Adjustment(s) to the contract:

CM 29

89239A

Liquidated Damages

\$213,900.00

Total

\$213,900.00

CM 30

86239A

Elastomeric Joint Repair and Patch Grind

\$9,860.67

Total

\$9,860.67

Grand Total

\$223,760.67

Reason(s) for Extra(s)/Adjustment(s):

CM 29

This contract modification rescinds Contract Modification No. 28, in regard to the extensions of time and liquidated damages. This contract modification will eliminate the previously authorized amount for liquidated damages of -\$213,900.00. In accordance with settlement discussions between the City of Ann Arbor and Atsalis Brothers Painting on July 24, 2009 regarding the structural steel repairs, the City of Ann Arbor agreed that liquidated damages would not be assessed.

CM 30

This extra work is for grinding bridge deck patches and repairing the elastomeric concrete joint in the bridge deck as directed by the Engineer. The extra cost for Elastomeric Joint Repair and Patch Grind was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and is reasonable when compared to the labor, materials and equipment required to complete the work.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: These extras are critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: These extra items are essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source:

86104A: FHWA, 76.93%; City of Ann Arbor, 23.07%;

89239A: FHWA, 80.01%; City of Ann Arbor, 19.99%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48104.

54. **Extra 2010 - 09**

Control Section/Job Number:	82191-55663	MDOT Project
State Administrative Board -	This project has an extra that exceeds the \$100,000 limit for reviewing extras.	
State Transportation Commission -	This project has an extra that exceeds the \$250,000 limit for reviewing extras.	
Contractor:	Dan's Excavating, Inc. 12955 23 Mile Road Shelby Twp., MI 48315	
Designed By:	URS Surface Transportation	
Engineer's Estimate:	\$59,685,872.76	

Description of Project:

10.06 mi of freeway reconstruction including pavement and shoulder removal and replacement, ramps, storm sewer reconstruction, sign and pavement marking upgrades, bridge approach work and reconstruction of 5 bridges, and concrete repair on northbound and southbound I-75 from I-275 to Gibraltar Road in the village of South Rockwood, cities of Rockwood and Flat Rock, Wayne and Monroe Counties. This project includes a 5 year materials and workmanship pavement warranty.

Administrative Board Approval Date:	April 15, 2008	
Contract Date:	May 22, 2008	
Original Contract Amount:	\$52,782,820.14	
Total of Overruns/Changes (Approved to Date):	1,360,265.60	+ 2.58%
Total of Extras/Adjustments (Approved to Date):	709,306.90	+ 1.34%
Total of Negative Adjustments (Approved to Date):	(5,486.00)	- 0.01%
THIS REQUEST	<u>300,000.00</u>	+ <u>0.57%</u>
Revised Total	<u>\$55,146,906.64</u>	+ 4.48%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 3.91% over the original budget for an **Authorized to Date Amount** of \$54,846,906.64.

Approval of this extra will place the authorized status of the contract 4.48% or \$2,364,086.50 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2008-160	4	\$253,697.00	11/05/08
2009-057	8 r. 2	\$130,087.74	05/19/09

Contract Modification Number(s): 21

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 21

55663A

Maintaining NHRD Ramps and Gibraltar Rd. Ramps

\$300,000.00

Total

\$300,000.00

Reason(s) for Extra(s)/Adjustment(s):

CM 21

The northbound and southbound 1-75 off-ramps at Gibraltar Road and North Huron River Drive were set up to be closed during the project. Due to the major stakeholders at these locations and the high volume of ramp usage, the engineer directed the contractor to maintain these ramps throughout the project except for the duration of construction at each ramp. This reduced the time frame of the ramps being closed from approximately six months to less than one month. Negotiations were made to account for additional flagging, traffic control, and other inefficiencies due to the additional breaks in the mainline pavement. The contractor agreed to be paid line items for the additional crossover (temporary ramp construction) and an agreement was made to reimburse the contractor an additional \$37,500 each to maintain these eight ramps during all stages of the project except as mentioned above. The extra cost for Maintaining NHRD Ramps and Gibraltar Rd. Ramps was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and is reasonable for the work required when comparing user cost delay data of \$15,000.00 per day per ramp, in a one month time frame, the user cost alone would amount to \$450,000.00 per ramp. This item of work was completed at a date and time that is beneficial to the owner, contractor and all major stake holders involved.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source:

- 100034A:** FHWA, 90.00%; State Restricted Trunkline, 10.00%;
- 55663A:** FHWA, 90.00%; State Restricted Trunkline, 10.00%;
- 59585A:** FHWA, 80.00%; State Restricted Trunkline, 20.00%;
- 79767A:** FHWA, 90.00%; State Restricted Trunkline, 10.00%;
- 88074A:** FHWA, 80.00%; State Restricted Trunkline, 20.00%;
- 88868A:** FHWA, 80.00% (Transportation Enhancement Funds); City of Rockwood, 8.18%; State Restricted Trunkline, 11.82%;
- 89498A:** FHWA: 90.00%; State Restricted Trunkline, 10.00%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48179.

55. **Extra 2010 - 10**

Control Section/Job Number: 25402-87265 MDOT Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - Does not meet criteria.

Contractor: Rauhorn Electric, Inc.
17171 23 Mile Road
Macomb, MI 48042

Designed By: Rowe, Inc.
Engineer's Estimate: \$1,072,805.00

Description of Project:

1.19 mi of hot mix asphalt deceleration lane, intersection improvements, and new sign and signal installation on Bristol Road from I-69 easterly to North Torrey Road, Genesee County.

Administrative Board Approval Date:	October 16, 2007	
Contract Date:	November 27, 2007	
Original Contract Amount:	\$1,053,914.90	
Total of Overruns/Changes (Approved to Date):	(4,264.61)	- 0.40%
Total of Extras/Adjustments (Approved to Date):	51,447.30	+ 4.88%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	13,164.00	+ 1.25%
Revised Total	<u>\$1,114,261.59</u>	+ 5.73%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 4.48% over the original budget for an **Authorized to Date Amount** of \$1,101,097.59.

Approval of this extra will place the authorized status of the contract 5.73% or \$60,346.69 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board: None

Contract Modification Number(s): 8

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 8		
Video Camera Mounting Revision	1.000 Ea @ \$13,164.00/Ea	<u>\$13,164.00</u>
Total		<u>\$13,164.00</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 8

There is an existing video camera that does not function properly as designed due to the alignment of the roadway and the service drive to the parking lots. The camera needs to be elevated to allow a clear line of sight to function and a complete new cable run to the controllers. The extension shall be painted to match the existing tube mount. This work was included in the existing plans and needed to function properly for safety. There are no offsetting original line items associated with this extra work. The time, equipment, materials and costs necessary to complete the work were determined using a process similar to the force account work process. The costs were deemed reasonable based on comparison to certified payrolls, the Blue Book equipment rental rates, and actual costs for materials, and negotiation per Section 103.04 of the Standard Specifications for Construction.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra is recommended for approval by the State Administrative Board at its February 2, 2010, meeting.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 80%; State Restricted Trunkline, 20%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48507.

56. **Extra 2010 - 11**

Control Section/Job Number: 63171-87270 Local Agency Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - Does not meet criteria.

Contractor: Florence Cement Company
12798 23 Mile Road
Shelby Twp., MI 48315

Designed By: Grissim Metz Andriess Associates
Mansell Associates Inc.
Orchard, Hiltz and McCliment, Inc.

Engineer's Estimate: \$5,243,612.60

Description of Project:

1.70 mi of mill and concrete overlay with integral curb and gutter, storm sewer, parking lot reconstruction, watermain replacement, landscape, sidewalk enhancements, permanent signing and pavement markings on Coolidge Highway from 8 Mile Road to 10 Mile Road and 0.35 mi of median planting islands, decorative walls, sidewalk, trees, bushes, flowers, street lighting and city signs on 9 Mile Road from west of Coolidge Highway to east of Coolidge Highway in the city of Oak Park, Oakland County.

Administrative Board Approval Date:	April 17, 2007	
Contract Date:	May 10, 2007	
Original Contract Amount:	\$4,795,710.46	
Total of Overruns/Changes (Approved to Date):	(780,522.25)	- 16.28%
Total of Extras/Adjustments (Approved to Date):	337,753.16	+ 7.04%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>113,130.06</u>	<u>+ 2.36%</u>
Revised Total	<u>\$4,466,071.43</u>	- 6.87%

Offset Information

Total Offsets This Request	(\$113,130.06)	- 2.36%
Net Revised Request	\$0.00	+ 0.00%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 9.23% under the original budget for an **Authorized to Date Amount** of \$4,352,941.37.

Approval of this extra will place the authorized status of the contract 6.87% or \$329,639.03 under the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2008-038	2	\$287,525.23	03/04/08
2009-056	4	\$60,476.57	05/19/09

Contract Modification Number(s): 9

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 9

30" Pier Concrete Pad	8.000 Ea @ \$342.95/Ea	\$2,743.60
Non-Reinforced Landscape Block Pier, 3 foot 20 inch Sq., Modified	45.000 Ea @ \$524.62/Ea	23,607.90
Non-Reinforced Landscape Block Pier, 4 foot 20 inch Sq., Modified	19.000 Ea @ \$732.37/Ea	13,915.03
Non-Reinforced Landscape Block Pier, 5 foot 30 inch Sq., Modified	8.000 Ea @ \$1,626.11/Ea	13,008.88
Non-Reinforced Landscape Block Wall, 3 foot 4 inch, Straight, Modified	371.800 Ft @ \$159.96/Ft	59,473.13
Pilaster Concrete Pad	8.000 Ea @ \$47.69/Ea	381.52
Total		<u>\$113,130.06</u>

CM 9 Offset Information

30" Pier Pad	-8.000 Ea @ \$342.95/Ea	(\$2,743.60)
Non-Reinforced Landscape Block Pier, 3 foot, 20 inch Sq., Modified	-45.000 Ea @ 524.62/Ea	(23,607.90)
Non-Reinforced Landscape Block Pier, 4 foot, 20 inch Sq., Modified	-19.000 Ea @ 732.37/Ea	(13,915.03)
Non-Reinforced Landscape Block Pier, 5 foot, 30 inch Sq., Modified	-8.000 Ft @ 1,626.11/Ft	(13,008.88)
Non-Reinforced Landscape Block Wall, 3 foot, 4 inch, Straight, Modified	-371.800 Ft @ 159.96/Ft	(59,473.13)
Pilaster Concrete Pad	-8.000 Ea @ \$47.69/Ea	(381.52)
Total		<u>(\$113,130.06)</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 9

When the streetscape work started in the fall of 2007, the first item of work was the construction of the decorative wall which was a participating item in the Enhancement Grant awarded. It was recognized early on that the wall, as detailed, (design performed by wall manufacturer) could not be built to the required height. After working with the block wall supplier's engineer, a redesigned wall was developed at an added construction cost (Changes on Contract Modification #2). All wall related bid pay items were deleted from the project and a price was obtained from the low bid contractor on new wall pay items. The impacted original wall pay items totaled \$69,800.00. The revised wall pay items totaled \$163,721.71 for an increase of \$93,921.71. Not recognizing the Category 001 versus Category 003 breakdowns, it was thought that the as bid amount for the total streetscape contract of \$752,181.40 was significantly in excess of the federal aid amount of \$576,000. At this point, deleting the wall as a Category 001 item did not seem critical because it was thought that there were other Category 001 pay items to cover the cost that would consume the remaining federal aid grant dollars made available from the deleted Category 001 wall items. This in fact was not the case, and the project has fallen well below the available federal aid. As a result, some of the wall items are desired to be moved back into Category 001 from Category 003 to maximize the federal aid received. We are submitting this contract modification to add back \$113,130.06 of construction work to Category 001 from Category 003 which totals \$90,504.08 in federal aid.

This will run the federal grant money used up to approximately \$575,887.37, still below the 576k cap. Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra is recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: These extra items are essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 63.39%; City of Oak Park, 36.61%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: These items are required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48237.

57. **Extra 2010 - 12**

Control Section/Job Number: 47041-87930 MDOT Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Pamar Enterprises, Inc.
58021 Gratiot
New Haven, MI 48048

Designed By: MDOT
Engineer's Estimate: \$927,105.71

Description of Project:

0.29 mi of hot mix asphalt roadway reconstruction, sanitary sewer relocation, and traffic signal replacement on M-36 from west of Pettys Road easterly to west of Chilson Road, Livingston County.

Administrative Board Approval Date:	September 23, 2008	
Contract Date:	October 15, 2008	
Original Contract Amount:	\$920,359.27	
Total of Overruns/Changes (Approved to Date):	(241,926.32)	- 26.29%
Total of Extras/Adjustments (Approved to Date):	358,329.57	+ 38.93%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>13,863.23</u>	<u>+ 1.51%</u>
Revised Total	<u>\$1,050,625.75</u>	+ 14.15%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 12.65% over the original budget for an **Authorized to Date Amount** of \$1,036,762.52.

Approval of this extra will place the authorized status of the contract 14.15% or \$130,266.48 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2009-131	1	\$358,329.57	09/30/09

Contract Modification Number(s): 2

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 2

12' to 18' Strain Pole Foundation Add'l Depth	2.000 Ea @ \$4,036.00/Ea	\$8,072.00
Flasher Control, Installed	1.000 Ea @ \$1,950.00/Ea	1,950.00
Post, Wood, 4" x 6"	32.000 Ft @ \$31.625/Ft	1,012.00
Riprap, Plain	47.550 Ton @ \$59.50/Ton	<u>2,829.23</u>
Total		<u>\$13,863.23</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 2

During excavation it was noticed that there was peat in the ground so MDOT performed soil investigation and it was recommended by the region soils engineer that a depth of 6 additional feet was required in order to hit solid ground for the strain pole. The extra cost for 12' to 18' Strain Pole Foundation Add'l Depth was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and was deemed reasonable when compared with similar items and quantities in MDOT's Average Unit Prices.

Originally the signal was going to be temporary and then removed at the end of project. However, per the TSC, it was decided to leave the signal in place. In order to leave it in place, Lansing Signals requires a Flasher Controller and wiring to be installed; those items were not included in the original plans. The extra cost for Flasher Control, Installed was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and was deemed reasonable when compared with similar items and quantities in MDOT's Average Unit Prices.

When Lansing Signals arrived to inspect the work, a flasher had been installed on steel posts. Their preference is to have it on Wood Posts. The thought is that you don't want electric wires powering the flasher on an all steel sign and posts. Wood does not conduct electricity. The original plans called for steel posts. The extra cost for Post, Wood, 4" x 6" was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and was deemed reasonable when compared with similar items and quantities in MDOT's Average Unit Prices.

The culverts were underwater and Rip Rap was needed to keep the soil from washing away. Original plans did not account for the water level at the time of construction. The extra cost for Riprap, Plain was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and was deemed reasonable when compared with similar items and quantities in MDOT's Average Unit Prices.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 80%; State Restricted Trunkline, 20%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48169.

58. **Extra 2010 -13**

Control Section/Job Number: 13081-75047 MDOT Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Anlaan Corporation
P.O. Box 333
Ferrysburg, MI 49409

Designed By: MDOT
Engineer's Estimate: \$10,026,356.60

Description of Project:

4.44 mi of hot mix asphalt cold milling and overlay, hot mix asphalt curb and spillways, guardrail reconstruction, concrete bridge approach and bridge replacement, widening, concrete curb and gutter, and enclosed drainage on I-94 eastbound and westbound from west of Helmer Road northeasterly to 61/2 Mile Road and over Riverside Drive in the city of Battle Creek, Calhoun County. This project includes a 5-year materials and workmanship pavement warranty and a 3-year pavement performance warranty.

Administrative Board Approval Date:	January 20, 2009	
Contract Date:	February 6, 2009	
Original Contract Amount:	\$8,988,215.30	
Total of Overruns/Changes (Approved to Date):	35,668.80	+ 0.40%
Total of Extras/Adjustments (Approved to Date):	6,130.00	+ 0.07%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>1,486,657.45</u>	<u>+ 16.54%</u>
Revised Total	<u>\$10,516,671.55</u>	+ 17.01%

Offset Information

Total Offsets This Request	(\$612,616.10)	- 6.82%
Net Revised Request	\$874,041.35	+ 9.72%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 0.47% over the original budget for an **Authorized to Date Amount** of \$9,030,014.10.

Approval of this extra will place the authorized status of the contract 17.01% or \$1,528,456.25 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board: None

Contract Modification Number(s): 5 r. 1, 6

These contract modifications request payment for the following Extra(s)/Adjustment(s) to the contract:

CM 5

75047A

Cofferdam, Left in Place (S05-3) Median Only	1.000 LS @ \$105,896.00/LS	\$105,896.00
Cofferdam, Left in Place (S05-4) Median Only	1.000 LS @ \$105,896.00/LS	105,896.00
Flowable Fill	20.000 Cyd @ \$140.00/Cyd	2,800.00
Micropile Mobilization-LRFD (S05-3)	1.000 LS @ \$12,500.00/LS	12,500.00
Micropile Mobilization-LRFD (S05-4)	1.000 LS @ \$12,500.00/LS	12,500.00
Micropiles, LRFD	8.000 Ea @ \$19,900.00/Ea	159,200.00
Conc, Grade T	277.000 Cyd @ \$300.00/Cyd	<u>83,100.00</u>
Total		<u>\$481,892.00</u>

CM 5 Offset Information

75047A

Prebore, Fdn Piling, LRFD	-76.000 Ft @ \$7.80/Ft	(\$592.80)
Texturing Conc	-45.000 Syd @ \$40.00/Syd	(1,800.00)
Backfill, Structure, CIP	-2,220.000 Cyd @ \$7.75/Cyd	(17,205.00)
Conc, Grade S2 Subfooting	-86.000 Cyd @ \$150.00/Cyd	(12,900.00)
Joint Waterproofing	-214.000 Sft @ \$2.00/Sft	(428.00)
Substructure Conc	-33.000 Sft @ \$250.00/Cyd	(8,250.00)
Wall Drain	-4.000 Sft @ \$5.00/Sft	<u>(20.00)</u>
Total		<u>(\$41,195.80)</u>

CM 6

75047A

Micropile Proof Load Test, LRFD	2.000 Ea @ \$26,000.00/Ea	\$52,000.00
Micropile Verification Load Test, LRFD	1.000 Ea @ \$32,000.00/Ea	32,000.00
Micropiles, LRFD, 9 5/8" OD	52.000 Ea @ \$17,385.00/Ea	904,020.00
Embankment Structure, CIP	1,871.000 Cyd @ \$8.95/Cyd	<u>16,745.45</u>
Total		<u>\$1,004,765.45</u>

CM 6 Offset Information

75047A

Pile, Steel, Furn and Driven, 12" LRFD	-11,357.500 Ft @ \$45.00/Ft	(\$511,087.50)
Prebore, Fdn Piling, LRFD	-1,181.000 Ft @ \$7.80/Ft	(9,211.80)
Test Pile, Dynamic Analysis, LRFD	-4.000 Ea @ \$1,500.00/Ea	(6,000.00)
Test Pile, Furnishing Dynamic Analysis Equipment, LRFD	-4.000 Ea @ \$100.00/Ea	(400.00)
Conc Quality Assurance, Structure	-108.000 Cyd @ \$5.75/Cyd	(621.00)
Conc, Grade T	-147.000 Cyd @ \$300.00/Cyd	<u>(44,100.00)</u>
Total		<u>(\$571,420.30)</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 5

The I-94 Bridges over Riverside Drive were planned to be replaced by part-width construction. I-94 Eastbound Traffic was shifted to the outside and two lanes were maintained on the outside while the median part of the bridge was removed in preparation for construction of one-half of the new Eastbound bridge. I-94 Westbound was the same situation. The median parts of both bridges were removed. A large amount of H-piling for the abutment foundations was driven as per plans, but it was not driven to full bearing capacity. Then the H-piling was begun to be driven to full test-piling capacity using the new LRFD foundation piling special provision which is in the plans and proposal. The first test pile was driven to planned bearing. The second test pile was driven part way to bearing when the existing I-94 Eastbound bridge settled and shifted. The existing I-94 Westbound bridge settled. This settlement was caused by the high hammering energy mandated by the new LRFD piling specification. In the interest of public safety, I-94 Eastbound and Westbound bridges were closed to traffic on 5-14-09. MDOT Director, FHWA persons, and many other parties were notified. After repairs, the I-94 Westbound bridge was reopened to traffic on 5-15-09. I-94 Eastbound bridge remained closed to traffic while repairs were made. The I-94 Eastbound bridge right lane was opened to traffic on 5-26-09 and the left lane was open on 5-27-09.

The contractor did load testing of the existing new H-piles and load tested new micropiles. MDOT geotechnical and design people recommended that no more H-piling would be driven on this project because of high water table and concern of settlement due to the hammering action of LRFD pile driving equipment. MDOT plan revision B1 added micropiles to supplement the existing H-piles that had already been driven. Micropiles are bored into the ground and have minimal vibration during installation. This plan revision also added cofferdams to contain the higher water table that existed after the H-piles penetrated an underground clay layer and allowed the water table to rise. This plan revision added tremie concrete to seal the bottom of the cofferdams.

During this time, I-94 traffic was driving on repaired Eastbound and Westbound existing bridges which were being constantly monitored for settlement movement.

The extra cost for Cofferdam, Left in Place (S05-3) Median Only;Cofferdam, Left in Place (S05-4) Median Only; Flowable Fill; Micropile Mobilization-LRFD (S05-3); Micropile Mobilization-LRFD (S05-4); Micropiles, LRFD; Conc, Grade T was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and is reasonable when compared to MDOT's Average Unit Price Index.

CM 6

The extra work on this contract modification is for Plan Revision B2. This adds micropiles to replace all of the planned H-piles in the outside part of the Eastbound and Westbound bridges. It deleted the remaining plan quantity of H-piles. It added more fill, lightweight, EPS block. The reasons are as listed above for CM 5. The 9-5/8" OD micropiles are a larger size for this plan revision B2 than the 7" OD micropiles in plan revision B1, also the quantity is larger in B2, necessitating a different price. The extra cost for Micropile Proof Load Test, LRFD; Micropile Verification Load Test, LRFD; Micropiles, LRFD, 9 5/8" OD and Embankment Structure, CIP was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and is deemed reasonable when compared to MDOT's Average Unit Price Index.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

These Extras were recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and are now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source:

102807A: FHWA, 90%; State Restricted Trunkline, 9.02%; City of Battle Creek, 0.98%;

75047A: FHWA, 90%; State Restricted Trunkline, 8.75%; City of Battle Creek, 1.25%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 49014.

59. **Extra 2010 -14**

Control Section/Job Number: 63522-100992 Local Agency Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Six-S, Inc.
2210 Scott Lake Road
Waterford, MI 48328

Designed By: Local Agency
Engineer's Estimate: \$2,002,953.77

Description of Project:

1.01 mi of drainage structure and sewer work, concrete patches, repairs, pavement overlay, sidewalk, ADA ramps, and guardrail on South Boulevard from Martin Luther King Boulevard to Opdyke Road in the city of Pontiac, Oakland County.

Administrative Board Approval Date:	October 21, 2008	
Contract Date:	October 28, 2008	
Original Contract Amount:	\$1,679,500.34	
Total of Overruns/Changes (Approved to Date):	87,054.73	+ 5.18%
Total of Extras/Adjustments (Approved to Date):	154,994.49	+ 9.23%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>35,458.59</u>	<u>+ 2.11%</u>
Revised Total	<u>\$1,957,008.15</u>	+ 16.52%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 14.41% over the original budget for an **Authorized to Date Amount** of \$1,921,549.56.

Approval of this extra will place the authorized status of the contract 16.52% or \$277,507.81 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2009-113	4 r. 1	\$58,400.00	09/01/09

Contract Modification Number(s): 6

This contract modifications request payment for the following Extra(s)/Adjustment(s) to the contract:

CM 6

Sign, Portable, Message, Furn & Oper		\$9,975.00
HMA Approach	8.48 Ton @ \$118.69/Ton	1,006.49
Joint, Expansion, E2	81.100 Ft @ \$19.40/Ft	1,573.34
Pavt for Butt Joints, Rem	89.470 Syd @ \$20.2125/Syd	1,808.41
Irrigation System Repairs		5,196.80
Pipe material Change @ Utility Crossing		760.42
Sidewalk, Conc, Rem & Replace		<u>15,138.13</u>
Total		<u>\$35,458.59</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 6

Prior to start of the construction, the Project Engineer determined that during the construction of the concrete base repairs, joint repairs and asphalt separator layer the project would be closed to traffic. For this reason, the Road Commission for Oakland County, having jurisdiction over Opdyke Road required the city to place changeable message boards in advance of the construction on northbound and southbound Opdyke road. The extra cost for Sign, Portable, Message, Furn & Oper was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction. The contractor submitted a monthly cost for furnishing and operating both units. The project engineer has determined that the price submitted is comparable to prices submitted on other projects within the city.

The Project Engineer instructed the contractor to provide a butt joint where the new concrete pavement meets the existing asphalt overlay at the intersection of South Boulevard and Opdyke Road. This work was not included in the original plans but is necessary for a smooth riding transition between the new and old pavement. HMA Approach material was used to construct the butt joint. The extra cost for HMA Approach was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and is deemed reasonable when compared to MDOT’s average unit price index.

This item was inadvertently omitted from the original plans and is required for expansion joints in areas of full-depth concrete reconstruction. The extra cost for Joint, Expansion, E2 was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and is deemed reasonable when comparable with MDOT’s average unit price index.

The Project Engineer instructed the contractor to provide a butt joint where the new concrete pavement meets the existing asphalt overlay at the intersection of South Boulevard and Opdyke Road. This work was not included in the original plans but is necessary for a smooth riding transition between the new and old pavement. In order to construct a proper butt joint between the two pavements some of the old pavement needs to be removed. The extra cost for Pavt for Butt Joints, Rem was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction and is deemed reasonable when compared to MDOT's average unit price index.

The City of Pontiac directed the Contractor to repair unmarked sprinkler systems damaged during construction. This work was not identified in the original plans or proposal. Because the extent of repairs could not be determined prior to undertaking the work, the Contractor was directed by the City of Pontiac to perform this work under force account. Section 109.07 - Force Account Work – of the 2003 Standard Specifications for Construction is to be used when MDOT and the contractor can not come to an agreement on the price of an extra. Force account work compensates the contractor based on the following: actual labor costs, actual materials costs, and equipment hours worked and the “Rental Rate Blue Book for Construction.”

On April 8, 2009, while installing the proposed storm drain at the intersection of South Blvd and MLK, the contractor encountered a gas main that was partially in conflict with the proposed storm drain. The contractor was directed to change the pipe size and material from 12-inch RCP to 8-inch ductile iron. The contractor requested additional compensation for the difference in the material cost of the pipe. Documentation supporting the material costs for the extra Pipe material Change @ Utility Crossing was provided to and accepted by the Engineer per Section 103.04 of the 2003 Standard Specifications for Construction.

Upon completion of the concrete overlay, it was determined that a section of new sidewalk between Sta 40+90, Land Sta 42+50, L had to be removed, the existing grade raised and the sidewalk replaced to correct a drainage issue that was created by raising the elevation of the roadway. This work was not identified in the original plans or proposal. The City of Pontiac directed the Contractor to perform this additional work for Sidewalk, Conc, Rem & Replace under force account. The Contractor has submitted the required force account documentation substantiating this extra cost. This documentation has been reviewed for conformance with Section 109.07 of the 2003 Standard Specifications for Construction.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 80%; City of Pontiac, 20%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48341.

60. **Extra 2010 - 15**

Control Section/Job Number: 25033-83573 Local Agency Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras

Contractor: Commerce Construction & Landscaping, Inc
555 Golden Oaks Court
Milford, MI 48380

Designed By: Rowe Professional Services Company
Engineer's Estimate: \$334,891.00

Description of Project:

1.13 mi of hot mix asphalt path, grading, aggregate base, and wooden boardwalk on Linden Road from the city of Linden soccer complex northerly to the south city limits, Genesee County.

Administrative Board Approval Date:	July 15, 2008	
Contract Date:	August 4, 2008	
Original Contract Amount:	\$284,233.55	
Total of Overruns/Changes (Approved to Date):	17,719.49	+ 6.23%
Total of Extras/Adjustments (Approved to Date):	53,675.55	+ 18.88%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>24,625.15</u>	<u>+ 8.66%</u>
Revised Total	<u>\$380,253.74</u>	+ 33.77%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 25.11% over the original budget for an **Authorized to Date Amount** of \$355,628.59.

Approval of this extra will place the authorized status of the contract 33.78% or \$96,020.19 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2009-061	1, 3	\$53,620.00	06/16/09

Contract Modification Number(s): 8

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 8		
Subgrade Undercut Special	547.230 Cyd @ \$45.00/Cyd	\$24,625.35
Total		<u>\$24,625.35</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 8

This extra work was necessary to prepare a stable sub-base in several areas where unsuitable soil conditions were encountered during machine grading operations. The extra cost for Subgrade Undercut Special was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction. The cost was deemed reasonable when compared to MDOT's average unit price index.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This extra item is essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 61%; Genesee County, 39%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: This item is required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48451.

61. **Extra 2010 - 16**

Control Section/Job Number: 82022-83945 Local Agency Project

State Administrative Board - This project exceeds the 6% limit for reviewing extras.

State Transportation Commission - This project exceeds the 10% limit for reviewing extras.

Contractor: Dan's Excavating, Inc.
12955 23 Mile Road
Shelby Twp., MI 48315

Designed By: DLZ Michigan, Inc.
Engineer's Estimate: \$2,371,273.50

Description of Project:

Bridge removal and replacement along with related approach work on Antietam Avenue over Dequindre Cut in the city of Detroit, Wayne County.

Administrative Board Approval Date:	August 7, 2007	
Contract Date:	August 8, 2007	
Original Contract Amount:	\$1,924,554.88	
Total of Overruns/Changes (Approved to Date):	374,432.48	+ 19.46%
Total of Extras/Adjustments (Approved to Date):	418,292.20	+ 21.73%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>22,175.77</u>	+ 1.15%
Revised Total	<u>\$2,739,455.33</u>	+ 42.34%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 41.19% over the original budget for an **Authorized to Date Amount** of \$2,717,279.56.

Approval of this extra will place the authorized status of the contract 42.34% or \$814,900.45 over the **Original Contract Amount**.

Extras Previously Approved by the State Administrative Board:

Item Number	Contract Modification Number	Amount	SAB Date
2008-171	9, 11	\$84,435.57	11/05/08
2008-190	12	\$4,725.00	12/16/08
2009-003	14	\$13,699.34	01/20/09
2009-022	16	\$71,185.00	02/03/09
2009-079	21 r. 1, 22	\$70,077.78	07/21/09
2009-109	19	\$38,123.13	08/04/09

Contract Modification Number(s): 24

This contract modification requests payment for the following Extra(s)/Adjustment(s) to the contract:

CM 24

83945A

Pavt Mrkg, Longit, 6" or Less Width, Rem	102.000 Ft @ \$0.95/Ft	\$96.90
WO 5 – 1 ½" HMA 4C Bike Path	861.800 Syd @ \$12.07/Syd	10,401.93
WO 5 – 2" HMA 3C Bike Path	861.800 Syd @ \$11.18/Syd	9,634.92
WO 5 – HMA Hand Patching 4C	5.000 Ton @ \$407.00/Ton	2,035.00
Pavt Mrkg, Ovly Cold Plastic, 12", X-Walk	702.000 Ft @ \$0.01/Ft	7.02
Total		<u>\$22,175.77</u>

Reason(s) for Extra(s)/Adjustment(s):

CM 24

PK Contracting removed 4” wide white skips marks along the taper due to the detour that was set up, and then placed 664.0’ of Type “R”, 4” white pavement marking to show the lane reduction on the outside of SB St. Aubin N. of Antietam. The extra cost for Pavt Mrkg, Longit, 6” or Less Width, Rem was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and is reasonable when compared to MDOT’s Average Unit Price Index.

Due to delays caused by utility relocation, the Contractor was unable to complete construction of Antietam Bridge before DEGC placed the asphalt walkway. A meeting was held on July 30, 2008 between the Contractor, the City of Detroit, MDOT and DLZ. At the meeting it was agreed that the Contractor would re-mobilize to the Antietam Avenue Bridge after construction of the asphalt walkway and continue the construction of the project. The contractor would also repair all damage caused by his operations to the recently completed improvements in the Dequindre Cut Greenway. Work Order 5 was subsequently developed and directed the Contractor to repair the walkway. The Contractor submitted unit prices for the materials needed for the repair. The extra costs for the three Work Order #5 items; 1 ½” HMA 4C Bike Path, 2” HMA 3C Bike Path, HMA Hand Patching 4C were negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and are reasonable when compared to similar items and quantities in MDOT’s Average Unit Price Index.

The current pay item for 12” crosswalk cannot be used for this intersection due to city standards that only allow zebra striping to be used at crosswalks. The extra cost for Pavt Mrkg, Ovly Cold Plastic, 12”, X-Walk was negotiated per Section 103.04 of the 2003 Standard Specifications for Construction, and is reasonable when compared to similar items and quantities in MDOT’s Average Unit Price Index.

Section 103.04 – EXTRA WORK – of the 2003 Standard Specifications for Construction was interpreted to authorize payment for this extra work.

This Extra was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This extra is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: These extra items are essential to the safe and timely completion of this contract.

Benefit: By adding these items, the state receives a project that has complied with all state and local laws and regulations, as well as a project that should reach its intended service life.

Funding Source: FHWA, 79.51%; State Restricted Trunkline, 14.90%; City of Detroit, 5.59%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: These items are required for the safe and timely completion of the project.

Cost Reduction: Economic assessment justifies the costs associated with this benefit to the public by including the items in this Extra.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Code: 48207

OVERRUNS

62. **Overrun 2010 - 03**

Control Section/Job Number: 21900-85434 MDOT Project

State Administrative Board - This project exceeds the 10% limit for reviewing overruns.

State Transportation Commission - This project exceeds the 15% limit for reviewing overruns.

Contractor: Bacco Construction Company
P.O. Box 458
Iron Mountain, MI 49801

Designed By: MDOT
Engineer's Estimate: \$315,656.02

Description of Project:

9.99 acres of construction of a wetland mitigation site including topsoil stripping, grading, wetland plantings and seeding located 0.25 mi north of the intersection of US-2 and County Road KK, Delta County.

Administrative Board Approval Date:	August 7, 2007	
Contract Date:	August 7, 2007	
Original Contract Amount:	\$253,890.29	
Total of Overruns/Changes (Approved to Date):	25,389.03	+ 10.00%
Total of Extras/Adjustments (Approved to Date):	57,131.43	22.50%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>18,434.50</u>	+ <u>7.26%</u>
Revised Total	<u>\$354,845.25</u>	+ 39.76%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 32.50% over the original budget for an **Authorized to Date Amount** of \$336,410.75.

Approval of this overrun will place the authorized status of the contract 39.76% or \$100,954.96 over the **Original Contract Amount**.

Overruns Previously Approved by the State Administrative Board: None

This request allows payment for the following increases to the contract:

Excavation, Earth Wetland	3,206.000 Cyd @ \$5.75/Cyd	<u>\$18,434.50</u>
Total		<u>\$18,434.50</u>

Reason(s) for Overrun(s):

When calculating the amount of earth excavation for this wetland project, the designer did not take into account the additional depth needed to be excavated to allow the required depth of topsoil to be placed to finish grade.

This Overrun was recommended for approval by the State Transportation Commission at its January 28, 2010 meeting, and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This original items increase is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This request is to compensate the contractor for the additional quantities of original contract items.

Benefit: The public benefits from the project being constructed to the published standards.

Funding Source: FHWA, 81.85%; State Restricted Trunkline, 18.15%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: The risk associated with not doing this work is that the motoring public will be driving on substandard roadway facilities.

Cost Reduction: The price has been fixed by contract.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Codes: 49878.

63. **Overrun 2010 - 04**

Control Section/Job Number: 73609-87752 Local Agency Project

State Administrative Board - This project exceeds the 10% limit for reviewing overruns.

State Transportation Commission - This project exceeds the 15% limit for reviewing overruns.

Contractor: A. J. Rehmus & Son, Inc.
P.O. Box 611
Bay City, MI 48707

Designed By: Local Agency
Engineer's Estimate: \$235,763.70

Description of Project:

0.15 mi of traffic signal installation, boulevard and pavement removal, concrete pavement repair, cold milling concrete pavement, concrete center turn lane construction, hot mix asphalt surfacing, and sidewalk ramps on Gallagher Street from Williamson Street to Wilkins Street and on Court Street from Handley Street to Elmview Court in the city of Saginaw, Saginaw County.

Administrative Board Approval Date:	December 18, 2007	
Contract Date:	January 31, 2008	
Original Contract Amount:	\$213,812.00	
Total of Overruns/Changes (Approved to Date):	21,381.20	+ 10.00%
Total of Extras/Adjustments (Approved to Date):	10,546.40	+ 4.93%
Total of Negative Adjustments (Approved to Date):	0.00	+ 0.00%
THIS REQUEST	<u>12,040.50</u>	+ <u>5.63%</u>
Revised Total	<u>\$257,780.10</u>	+ 20.56%

SUMMARY:

The total of all Extras and Overruns approved to date, **before this request**, places this contract 14.93% over the original budget for an **Authorized to Date Amount** of \$245,739.60.

Approval of this overrun will place the authorized status of the contract 20.56% or \$43,968.10 over the **Original Contract Amount**.

Overruns Previously Approved by the State Administrative Board: None

This request allows payment for the following increases to the contract:

Cold Milling, Conc Pavt	285.000 Syd @ \$13.50/Syd	\$3,847.50
HMA, 36A	81.93 Ton @ \$100.00/Ton	8,193.00
Total		<u>\$12,040.50</u>

Reason(s) for Overrun(s):

The poor road surface condition on Williamson required cold milling the concrete surface and repaving. This also allowed the total width of the road to be utilized by incorporating a left turn lane that wasn't originally there. With the addition of a protected left turn lane on Williamson there will be increased safety and traffic flow at the intersection.

This Overrun was recommended for approval by the State Transportation Commission at its January 28, 2010, meeting and is now recommended for approval by the State Administrative Board on February 2, 2010.

Criticality: This original items increase is critical to the project ensuring that it meets the current standards and protects the safety and welfare of the motoring public.

Purpose/Business Case: This request is to compensate the contractor for the additional quantities of original contract items.

Benefit: The public benefits from the project being constructed to the published standards.

Funding Source:

87752A: FHWA, 80%; City of Saginaw, 20%;

87756A: FHWA, 80%, City of Saginaw, 20%, unless otherwise noted.

Commitment Level: The project was advertised for bids, with the lowest bidder being awarded the contract. The bids are based on estimated quantities for various items of work to construct the project.

Risk Assessment: The risk associated with not doing this work is that the motoring public will be driving on substandard roadway facilities.

Cost Reduction: The price has been fixed by contract.

Selection: Low bid.

New Project Identification: This is an existing project already under contract.

Zip Codes: 48601, 48602.

In accordance with MDOT's policies and procedures and subject to concurrence by the Federal Highway Administration, the preparation and award of the appropriate documents approved by the Attorney General, and compliance with all legal and fiscal requirements, the Director recommends for approval by the State Administrative Board the items on this agenda.

The approval by the State Administrative Board of these contracts does not constitute the award of same. The award of contracts shall be made at the discretion of the Director-Department of Transportation when the aforementioned requirements have been met. Subject to exercise of that discretion, I approve the contracts described in this agenda and authorize their 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 October 31, 2006.

Respectfully submitted,

Authorized Signature on File
January 21, 2010

Kirk T. Steudle
Director

SUPPLEMENTAL AGENDA

DEPARTMENT OF TRANSPORTATION

TRANSPORTATION and NATURAL RESOURCES COMMITTEE STATE ADMINISTRATIVE BOARD

T&NR Meeting: January 27, 2010 – Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 3:30 PM
State Administrative Board Meeting: February 2, 2010 - Lake Superior Room,
1st Floor, Michigan Library and Historical Center, 11:00 AM

This agenda is for general informational purposes only. At its discretion, the Transportation and Natural Resources Committee may revise this agenda and may take up other issues at the meeting.

CONTRACTS

1. *HIGHWAYS – Continuation of On-Demand Engineering Services for Design/Build Contracts
The Michigan Department of Transportation seeks State Administrative Board approval to increase the maximum dollar amounts of the four master contracts for on-demand consultant engineering services for the development of design/build road construction projects and to continue to report monthly subsequent to work order execution for on-demand design/build projects selected for the new economic stimulus package and stimulus-related projects. This request is made in anticipation of the enactment of a second federal stimulus act and associated expedited funding obligation requirements. (See attached letter dated January 27, 2010, from Wayne E. Roe, Jr., to Sherry Bond.)
2. HIGHWAYS - IDS Engineering Services
Authorization (Z3) under Contract (2008-0064) between MDOT and B.B.F. Engineering Services, P.C., will provide for as-needed inspection and testing services to be performed for construction projects in the Metro Region, primarily in Wayne County. The work items include project administration, hot mix asphalt inspection, quality assurance testing, and preparation and documentation of project records. The authorization will be in effect from the date of award through December 17, 2010. The authorization amount will be \$962,219.64. The contract term is December 18, 2007, through December 17, 2010. Source of Funds: 100% Federal Highway Administration Funds/American Recovery and Reinvestment Act of 2009 (ARRA).

Criticality: The inspection and testing services will help to fulfill the Metro Region's need for construction oversight, which is critical to ensuring that highway construction projects are completed in accordance with state and federal guidelines so federal funding is maintained and not jeopardized on future projects.

Purpose/Business Case: To provide for as-needed inspection and testing services to be performed for construction projects in the Metro Region.

Benefit: Will provide for project administration, inspection, and testing, as required by federal law, which will result in high quality products. The services will ensure that requirements are met to satisfy state and federal guidelines for construction oversight and the administration of highway construction projects.

Funding Source: 100% Federal Highway Administration Funds (ARRA).

Commitment Level: The hourly costs are fixed; however, the number of hours to perform this work has been estimated.

*Denotes a non-standard contract/amendment

Risk Assessment: If this authorization is not approved, the projects may not have adequate construction engineering oversight, including inspection and testing. This could result in substandard work. Failure to provide the services outlined could result in the loss of federal participation on highway construction projects.

Cost Reduction: Costs in professional services contracts are on an actual cost plus fixed fee basis not to exceed the maximum contract amount. Hours are negotiated based on needed service.

Selection: Qualifications-based.

New Project Identification: This is not a new project.

Zip Code: 48216.

In accordance with MDOT's policies and procedures and subject to concurrence by the Federal Highway Administration, the preparation and award of the appropriate documents approved by the Attorney General, and compliance with all legal and fiscal requirements, the Director recommends for approval by the State Administrative Board the items on this agenda.

The approval by the State Administrative Board of these contracts does not constitute the award of same. The award of contracts shall be made at the discretion of the Director-Department of Transportation when the aforementioned requirements have been met. Subject to exercise of that discretion, I approve the contracts described in this agenda and authorize their 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 October 31, 2006.

Respectfully submitted,

Authorized Signature on File
January 26, 2010

Kirk T. Steudle
Director



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

January 27, 2010

Ms. Sherry Bond
Secretary to the State Administrative Board
Michigan Department of Management and Budget
P.O. Box 30026
Lansing, Michigan 48909

Dear Ms. Bond:

On January 13, 2009, the Michigan Department of Transportation (MDOT) requested approval from the State Administrative Board (SAB) to allow MDOT to award "on-demand" contracts with consultant firms to provide engineering services for the development of design/build road construction projects. MDOT had been informed that it might be the recipient of a federally funded economic stimulus program for road construction projects in the very near future. MDOT determined that in order to take full advantage of those funds, and ensure that the most qualified consultants were retained, it would need to award contracts in an expedited manner.

The federal government did indeed pass the American Recovery and Reinvestment Act (ARRA) of 2009, which designated approximately \$850 million for MDOT for 2009 and 2010. Because one of the objectives of the act was to stimulate the economy quickly with the creation and retention of jobs, the act required that states obligate the funds within 120 days of passage of the act. MDOT met that deadline, not only through significant efforts by so many MDOT staff, but also, in part, because the SAB approved our request which allowed us to be almost immediately responsive with our "on-demand" design/build consultant contracts.

The department has once again been informed that the federal government may provide additional funds to further stimulate the economy. It is our understanding that MDOT may receive as much as \$850 million in additional monies for road construction and related transportation projects. We also understand that the intent of this new program is to have funds obligated and under contract within 90 days, not just obligated within 120 days as required under ARRA.

In anticipation of the enactment of another federal stimulus act which would provide MDOT additional money, and knowing that the department expects that it will need to be responsive even sooner than in the past, while continuing to meet all state and federal requirements for contracting, we requested and were granted approval of the same process, for use with future stimulus monies, by the Federal Highway Administration (FHWA). A copy of my January 12, 2010, letter to FHWA with our request, and a copy of FHWA's January 22, 2010, letter to me, approving our request, are enclosed.

Ms. Sherry Bond
Page 2
January 27, 2010

Now that we have FHWA approval, we are making the same request of the SAB. We are once again asking for the increase in dollar amounts for the four contracts in question from their current contract maximums of \$10 million each, to a new maximum of \$17.5 million each. We also ask that we be allowed to award "on-demand" contracts with consultant firms to provide engineering services for the development of design/build road construction projects.

Consistent with last year's request by the department and approval by the SAB, we are asking that we be allowed to report monthly subsequent to contract execution, for these "on-demand" design/build projects selected for the new economic stimulus package and stimulus related projects.

For your information, I have also enclosed a copy of MDOT's previous request, dated January 13, 2009.

I am available to discuss any questions or concerns you may have regarding this request. Please feel free to contact me at 373-4680.

Thank you for your consideration of this request.

Sincerely,



Wayne E. Roe, Jr., Administrator
Contract Services Division

Enclosures

Mr. DeBano presented the Transportation and Natural Resources Committee Report for the regular meeting of January 27, 2010. After review of the foregoing Transportation and Natural Resources Committee Report, Mr. DeBano moved that the Report covering the regular meeting of January 27, 2010, be approved and adopted. The motion was supported by Mr. Isom and unanimously approved.

8. MOTIONS AND RESOLUTIONS:

NONE

9. ADJOURNMENT:

Mr. Hank moved to adjourn the meeting. The motion was supported by Mr. Saxton and unanimously approved. Mr. Liedel adjourned the meeting.

SECRETARY

CHAIRPERSON