

MEMORANDUM

DATE: February 21, 2023

TO: Melissa R. Marsh, City Manager

FROM: Sean P. Ballantine, Public Works Supervisor
R. Corey Almas, Director of Public Services

SUBJECT: Bid Award – 2023 R-3 Residential Road Projects

In January of this year, Cipparrone Contracting, our current contractor for the R-3 Road Construction Program and the Major and Local Sectional Projects, informed us that due to the unprecedented increases in the price of concrete, materials, and labor, they would be unable to extend the contract for the R-3 Projects (attached). On February 15, seven sealed bids were received at City Hall by the deadline. One bid was immediately rejected due to insufficient paperwork. Upon review, and as identified in the attached recommendation letter from Nowak and Fraus, our Consulting City Engineers, DiLisio Contracting, of Clinton Township, Michigan was the low bidder.

DiLisio Contracting is an experienced long-time vendor of the City of Madison Heights for this program, and similar projects for other area municipalities. Staff would also note that this bid award does not automatically commit the City to any projects in the upcoming 2023-24 fiscal year. Projects would not be authorized to start until funding was made available through the normal Budget process. These projects, assuming approval, would then be constructed by DiLisio under this contract. Based on current trends in cost and availability of materials and labor, Staff concurs with the recommendation of our City Engineer, and recommends that City Council award the bid for the 2023 R-3 Residential Road Projects to the lowest responsible bidder, DiLisio Contracting, Inc., of Clinton Township, Michigan, for the total project amount of \$1,633,871.56.

Department of Public Services

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