



CITY OF NOVI CITY COUNCIL
JULY 31, 2023

SUBJECT: Consideration of approval to award the construction contract to Ajax Paving, the low bidder, for the 2023 Capital Preventative Maintenance of local roads project, in the amount of \$866,078.70.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

EXPENDITURE REQUIRED	\$ 866,078.70
AMOUNT BUDGETED	\$ 1,040,284.00
APPROPRIATION REQUIRED	\$ 0
LINE ITEM NUMBER	203-449.30-973.024

BACKGROUND INFORMATION:

Engineering consultant, AECOM, assisted City staff with developing a list of local asphalt road candidates for a Capital Preventative Maintenance (CPM) program. CPM consists of surface treatments to roads rated as fair condition (5 or 6 using the PASER rating system) and is a cost-effective way to treat roads with surface deterioration that are still structurally sound. The CPM program was identified in the Road Report and Transportation Asset Management Plan (TAMP) as a key component in extending the service life of asphalt roads. These treatments help to correct surface deficiencies, slows the rate of deterioration, and protects the underlying structure of the road.

A Fixed Price Variable Scope (FPVS) method of bidding was used to allow more flexibility in the scope of the project. Bidders were provided with a fixed cost of \$870,000 and a list of items based on priority road quantities. The winning bid proposed the maximum amount of work within the fixed cost.

AECOM assisted the Engineering Division with developing a bid manual for the project. The project was advertised for public bids on June 22, 2023. Two (2) bids were received and opened on July 12, 2023, following the solicitation period. Ajax Paving, the low

bidder, is recommended in the best interest of the City as it is responsive and complies with all requirements of the bidding instructions. The award recommendation letter including the bid tabulation is attached. A summary of the bids is as follows:

Contractor	Total Program Bid
Ajax Paving	\$ 866,078.70
Cadillac Asphalt, LLC	\$ 1,027,868.28

The contract administration and geotechnical engineering services related to this project will be awarded to the following pre-qualified firms using the fee percentages in the Agreements for Professional Engineering Services and Geotechnical Engineering Services for Public Projects. Construction is expected to begin following award.

AECOM		
Contract Administration	3.5% of the construction award (\$866,078.70 X 0.035)	\$ 30,312.75
Crew Days	\$800 daily inspection fee x 40 days	\$ 32,000.00

G2 Consulting Group, Inc. (G2)		
Material testing services	2% of the construction award (\$866,078.70 X 0.02)	\$ 17,321.57

Construction is expected to start later this summer and to be completed by early fall.

RECOMMENDED ACTION: Approval to award the construction contract to Ajax Paving, the low bidder, for the 2023 Capital Preventative Maintenance of local roads project, in the amount of \$866,078.70.