

(Bid #12-128)

EM SUBMISSION NO.: 2013 EM003

PRESENTED: 4-1-13

ADOPTED: 4-3-13

BY THE EMERGENCY MANAGER:

RESOLUTION AUTHORIZING CHANGE ORDER #2 TO ZITO CONSTRUCTION TO ASSIGN  
ADDITIONAL PROPERTIES TO DEMOLISH

BY THE EMERGENCY MANAGER

RESOLUTION

On November 9, 2012, the Emergency Financial Manager authorized the Proper City Officials to enter into a contract with Zito Construction, 8033 Fenton Rd., Grand Blanc, MI for the demolition of 92 structures in an amount not to exceed \$571,000.00, as requested by the Department of Infrastructure/Development; and

On February 22, 2013, the Emergency Financial Manager authorized the Proper City Officials to process change order # 1 to said contract to extend the expiration date from February 22, 2013 to April 22, 2013; and

The Department of Infrastructure/Development was informed by a vendor that it would not be able to demolish properties that were assigned to them on November 9, 2012. Based on this development, The Department is requesting to assign an additional 20 properties to Zito Construction in an amount not to exceed \$123,000.00. The funding for this request will come from the following account numbers: 542-741.150-801.000 (\$93,000.00), 542-748.151-801.000 (\$18,600.00), 542-371.710-81.000 (\$6,100.00); and

IT IS RESOLVED, that the Proper City Officials, upon the Emergency Manager's approval, are hereby authorized to enter into change order # 2 to the contract with Zito Construction for demolition of an additional 20 properties in an amount not to exceed \$123,000.00 for a revised aggregate contractual amount of \$694,000.00. (Building Inspection Fund)

~~APPROVED PURCHASING DEPT:~~

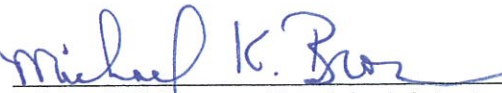
  
Derrick Jones

APPROVED AS TO FINANCE:

  
Gerald Ambrose, Finance Director

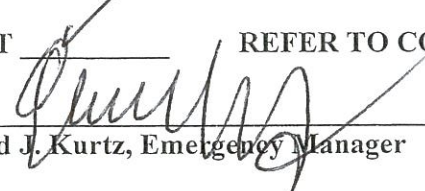
  
APPROVED AS TO FORM:

Peter M. Bade, City Attorney

  
Michael K. Brown, City Administrator

EM DISPOSITION:

ENACT                      REFER TO COUNCIL                      FAIL                     

  
Edward J. Kurtz, Emergency Manager

DATED: 4-3-13

03/28/13 - DFJ

## RESOLUTION STAFF REVIEW

Date: March 25, 2013

Agenda Item Title: The Department of Transportation, Development Management, is requesting a Resolution authorizing a transfer of 24 properties awarded to Able Demolition under BID #12-128 to the next lowest bidder as Able Demolition is unable to complete awarded demolitions in a timely fashion due to Frost Law Restrictions. The properties are to be re-awarded to the next lowest bidder still under contract for the appropriate funding program.

<b>Zito Construction</b>	20 Structures	-	\$123,000.00
<b>W.T. Stevens/Sorenson Gross</b>	4 Structures	-	\$27,234.00

The properties have been awarded to the next lowest bidder taking into consideration Section 3 and local preference, as well as existing, non-expired contracts. W.T. Stevens bid on 3 of the properties awarded to Able and would appear to be the next lowest bidder for 1 property, however, W. T. Stevens does not have an active CDBG or FWA contract with the City and so those properties are being awarded to Zito Construction who does have an existing contract under those programs.

Prepared by:  
Faith C. Finholm  
Demolition Grants Manager  
Development Division

Summary of Proposed Action:  
The Department of Transportation, Development Management, is requesting a Resolution authorizing a Contract amendment to the following contracts in order to complete the demolition of 24 structures with various funding sources in a timely fashion:

### **Able Demolition**

Contract #12-114	FWA	Recapture 1 Structure	\$5,500.00
Contract #12-114	CDBG	Recapture 3 Structures	\$15,500.00
Contract #12-114	NSP3	Recapture 20 Structures	\$109,100.00
<b>TOTAL RECAPTURE</b>		<b>24 Structures</b>	<b>\$130,100.00</b>

### **Zito Construction**

Contract #12-115	FWA	Add 1 Structure	\$6,100.00
Contract #12-115	CDBG	Add 3 Structures	\$18,600.00
Contract #12-121	NSP3	Add 16 Structures	\$98,300.00
<b>TOTAL</b>		<b>Add 20 Structures</b>	<b>\$123,000.00</b>

### **W. T. Stevens/Sorenson Gross**

Contract #12-127	NSP3	Add 4 Structures	\$27,234.00
<b>TOTAL</b>		<b>Add 4 Structures</b>	<b>\$27,234.00</b>

<b>TOTAL AWARD</b>	<b>24 Structures</b>	<b>\$150,234.00</b>
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**This funding will be made available through Fire Withholding Funds (FWA), Community Development Block Grant (CDBG), and Neighborhood Stabilization Program 3 (NSP3).**

Financial Implications:

The Department has been notified by Able Demolition that it would be unable to complete remaining demolition properties by the contract deadline due to frost restrictions. The properties are to be re-awarded to the next lowest bidders, Zito Construction and W. T. Stevens, who have existing contracts under the same grant programs. Their bids were higher than the bids of Able. Therefore, the re-award for the properties increases by \$20,134.00.

Pre-encumbered?: Yes ☐ No ☒ Requisition# 001300292

**Zito Construction**

Account No. 542-741.150-801.000 \$98,300.00 (NSP3)  
542-748.151-801.000 \$18,600.00 (CDBG)  
542-371.710-801.000 \$6,100.00 (FWA)

Pre-encumbered?: Yes ☐ No ☒ Requisition# 001300293

**W. T. Construction/Sorenson Gross**

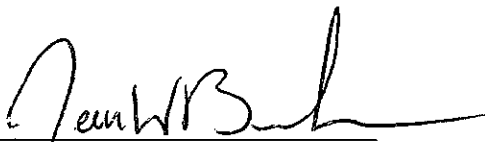
Account No. 542-741.150-801.000 \$27,234.00 (NSP3)

Other implications (i.e. collective bargaining):

No other implications are known at this time.

Staff Recommendation: Recommend Approval

Staff Person

  
Jesse W. Buchanan  
Director, B.S.I., Blight & Demolition