
Memorandum

The City of Traverse City
Engineering Department



TO: Marty Colburn, City Manager
FROM: Timothy J. Lodge, City Engineer
DATE: May 9, 2017
SUBJECT: 2017 Carnegie Building Elevator Replacement Project

Sealed bids were advertised for and were received on May 9, 2017 for the above referenced project. Plans and specifications were prepared by Cornwell Architects and made available to contractors through The Builders Exchange of Northwest Michigan. Contractors inquired and viewed the plans and specifications online with two bids being received for this work as follows:

Contractor		Base Bid Amount	Alt. Bid Amount
Grand Traverse Construction	Traverse City	\$ 324,400.00	\$ 273,400.00
Comstock Construction	Traverse City	No Bid	\$ 431,305.00

The project includes removing and replacing the existing elevator and either modifying the existing elevator shaft or installing a custom cab to meet ADA requirements. The current elevator is considered a freight elevator and can only be used by passengers when a trained operator is provided. The existing elevator is a cable drum system that is considered functionally obsolete by today's passenger elevator standards. This project is #924 in the CIP. The estimated cost based on preliminary design drawings was between \$237,000 for a standard elevator in a modified shaft (base bid) and \$262,000 for a custom cab in the existing shaft (Alternate Bid).

The Base Bid amount from Grand Traverse Construction includes installing a custom cab in the existing shaft and meets ADA requirements. The Alternate Bids from both contractors do not meet ADA requirements. Neither bidder included modifying the existing shaft for a standard elevator. The Alternate Bid would require a variance from the State of Michigan for barrier free requirements. We cannot be assured that a variance would be granted since we have shown that it is technically feasible to meet ADA requirements with the base bid.

*In addition, we recommend that authorization be given to the City Manager to manage an additional contingency amount of **\$20,000** (8.5% of the construction contract amount) should the need arise for unforeseen and unknown work that may be required to install the replacement elevator.*

While more costly than expected, we recommend award to the low bidder for the Base Bid, Grand Traverse Construction and that the proper City officials be authorized to execute a lump sum contract with the above-mentioned low bidder, in the amount of \$324,400.00 more or less, and a contingency amount of \$20,000.00 be authorized for the City Manager with funds therefore available in the TIF 2 fund of the Capital Projects Fund.