



**CITY OF NOVI CITY COUNCIL
JUNE 22, 2026**

SUBJECT: Consideration of approval to award the Novi Road Median Drainage Improvements, 12 Mile Road to 13 Mile Road, project contract to Merlo Construction Co., the qualified second-low bidder, in the amount of \$663,737.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Scope includes reconfiguring the storm sewer, paving the median islands, and installing planters with trees.
- Initially, Santos Cement, Inc., the low bidder, was recommended for the construction award. However, Santos Cement, Inc. was unable to complete the required bonds and insurance documents within the 60-day time limit, so they were released from the project.
- The second low bidder, Merlo Construction Co, agreed to construct the project with a revised bid total adjusted for recent increases in fuel costs.
- Construction is expected to start in July and last approximately six weeks.

FINANCIAL IMPACT

	FY 2025/26
EXPENDITURE REQUIRED	\$ 663,737.00 Construction \$ 71,498.96 Engineering Services \$ 735,235.96 TOTAL
BUDGET	
DRAIN FUND 211-445.00-975.209	\$ 806,360
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0
Budget includes current estimated total project costs for construction (construction engineering, crew days, material testing, contingency, etc.), which is \$806K.	

BACKGROUND INFORMATION:

When Novi Road, 12 to 13 Mile Rd, was reconstructed in 2016, the center turn lane was removed in some sections and replaced with landscaped depressed median islands. The purpose of the depressed median islands was to collect and filter stormwater while also being an attractive feature. However, maintaining the landscaping has been difficult due to the harsh conditions, resulting in mostly bare, unattractive medians. Therefore, the existing medians will be paved, and tree planters will be added to include tree species known to survive harsh conditions. The storm sewer will be reconfigured to properly drain the road.

City engineering consultant, Spalding DeDecker, assisted City staff with design of a Novi Road Median Island project between 12 Mile Road and 13 Mile Road. The project was advertised for public bids on January 21, 2026. Five (5) bids were received and opened on February 11, 2026, following the solicitation period.

Initially, Santos Cement, Inc., the low bidder, was recommended for the construction award. However, Santos Cement, Inc. was unable to complete the required bonds and insurance documents within the 60-day time limit, so they were released from the project. The second low bidder, Merlo Construction Co, agreed to construct the project with a revised bid total, adjusted for recent increases in fuel costs. The award recommendation letter, original bid, and revised bid total, are attached.

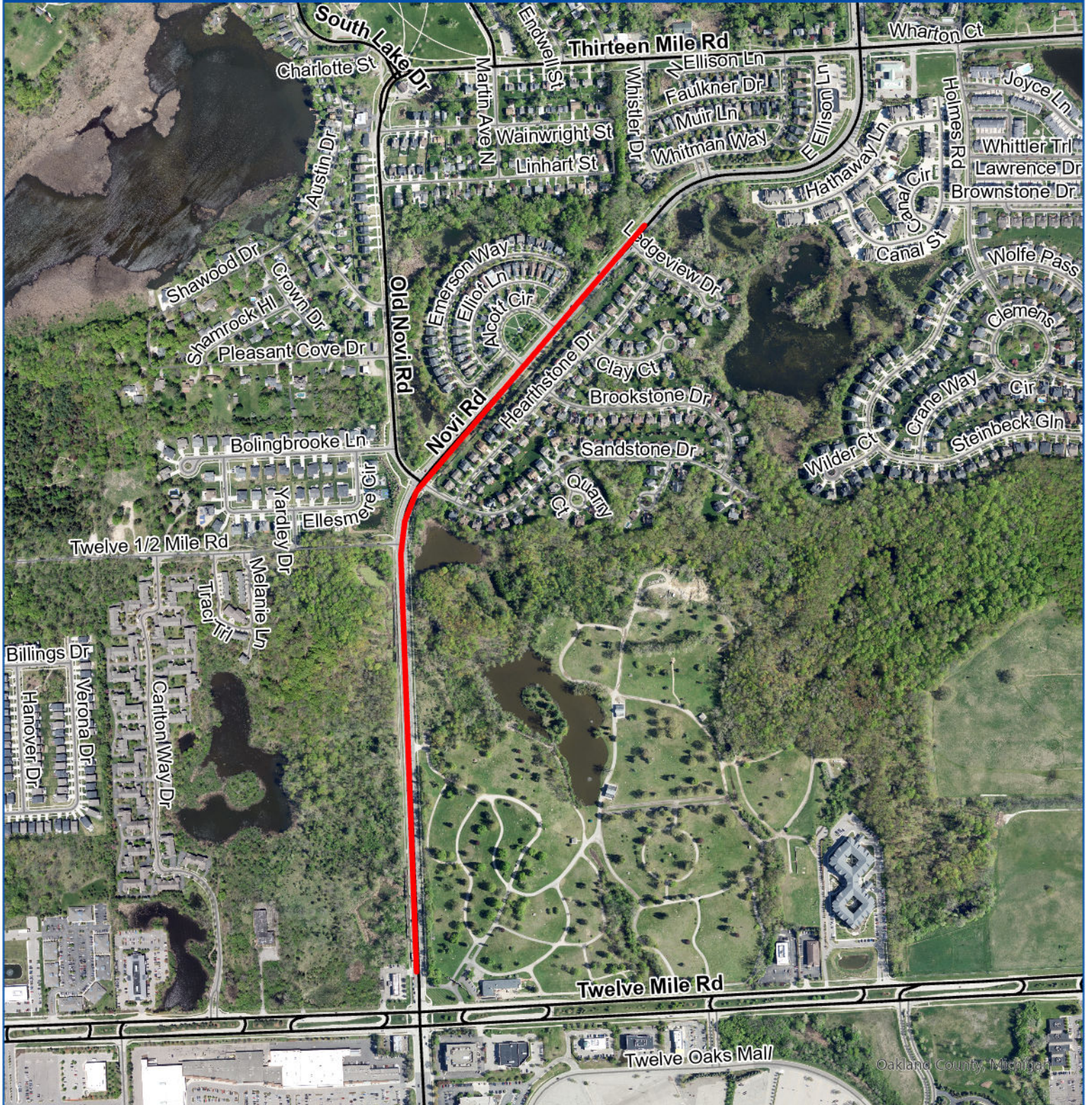
The contract administration and geotechnical engineering services related to this project will be awarded to the following pre-qualified firms using the fee percentages in the Agreements for Professional Engineering Services and Geotechnical Engineering Services for Public Projects.

Spalding DeDecker	Contract Administration	6% of the construction award	\$39,824.22
	Crew Days	\$800 daily inspection fee x 23 days	\$18,400.00
G2	Material testing services	2% of the construction award	\$13,274.74
TOTAL			\$71,498.96

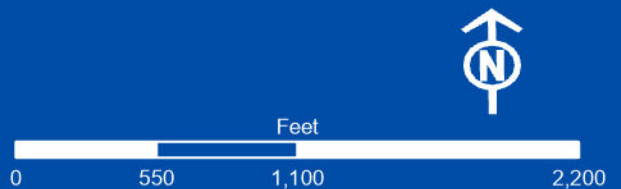
Construction is expected to start in July and last approximately six weeks.

RECOMMENDED ACTION: Approval to award the Novi Road Median Drainage Improvements, 12 Mile Road to 13 Mile Road, project contract to Merlo Construction Co., the qualified second low bidder in the amount of \$663,737.

Novi Road Median Islands Drainage Improvements



 Project Area



June 8, 2026

Mr. Ben Croy
City Engineer
City of Novi
26300 Lee BeGole Drive
Novi, Michigan 48375

Re: **Recommendation for Award**
Novi Rd Medians
SDA Project No.: Job No NV25003

Dear Mr. Croy:

The second low bidder for the Novi Rd Medians project, MERLO Construction Co. (MERLO), submitted a revised total bid of \$682,137.00. Spalding DeDecker reviewed the revised bid, verified the calculations. MERLO's revised total remains the second lowest bid when compared to the original bids received on February 11, 2026.

Based on a review of experience and references provided, Spalding DeDecker finds that MERLO is qualified to perform the required construction.

It is our recommendation that the project be awarded to the second lowest responsive bidder, MERLO, in the amount of \$663,737.00 which is the total bid of \$682,137.00 minus \$18,400.00 for crew days bid.

Upon award by the City Council, our office will coordinate the completion of the Contract Agreement, Bonds, and Insurance information with MERLO.

Very Truly Yours,
SPALDING DEDECKER

Taylor E Reynolds  Digitally signed by Taylor E Reynolds
Date: 2026.06.08 14:51:54-04'00'

Taylor E. Reynolds, PE
Senior Project Manager

MERLO CONSTRUCTION CO.
 4964 TECHNICAL DR., MILFORD, MI 48381
 City of Novi
 Novi Rd Medians

Item No.	Description	Quantity	Unit	Unit/Price	Total
1	_ Pre-Construction Audio-Visual	1	LSUM	1,785.00	1,785.00
2	Mobilization, Max	1	LSUM	30,000.00	30,000.00
3	Excavation, Earth	2765	CYD	23.00	63,595.00
4	Eros. Cont Inlet Pro Fabric Drop	35	EA	175.00	6,125.00
5	Project Cleanup	1	LSUM	1.00	1.00
6	Subbase, CIP	1180	CYD	28.00	33,040.00
7	Aggregate Base	2683	TON	38.00	101,954.00
8	Dr Structure Cover, Adj, Case 2	7	EA	700.00	4,900.00
9	Dr Structure Cover, Type B	3	EA	650.00	1,950.00
10	Dr Structure Cover, Type G	2	EA	525.00	1,050.00
11	Dr Structure, Adj, Add Depth	8	FT	120.00	960.00
12	HMA Surface, Rem	673	SYD	17.00	11,441.00
13	Hand Patching	31	TON	280.00	8,680.00
14	HMA, 4 EL	210	TON	240.00	50,400.00
15	Conc Pavt, Nonreinf, 6 inch	1612	SYD	64.00	103,168.00
16	_ Conc Pavt, Decorative, Nonreinf, 6 inch	30	SYD	205.00	6,150.00
17	_ Conc Pavt, Misc, Reinf, 18 inch, Modified	105	SYD	185.00	19,425.00
18	Shld Gutter, Conc, Det 1	4	EA	1,350.00	5,400.00
19	Shld Gutter, Conc, Det 3	4	EA	1,350.00	5,400.00
20	_ Curb and Gutter, Conc, Det C4, Modified	2683	FT	29.00	77,807.00
21	Curb & Gutter Conc C4 Rev. Gutter Mod.	1503	FT	29.00	43,587.00
22	Post, Steel, 3 pound	140	FT	16.00	2,240.00
23	Sign, Type III, Erect, Salv	26	EA	125.00	3,250.00
24	Sign, Type III, Rem	5	EA	30.00	150.00
25	Sign, Type IIIB	28	SFT	19.00	532.00
26	Sign, Type III, Rem, Salv	25	EA	30.00	750.00
27	Ground Mtd Sign Support, Rem	16	EA	40.00	640.00
28	Pav't Mark Sray Therm 4 in Yellow	6300	FT	1.05	6,615.00
29	Pav't Mark Spray Therm 12 in Cross Hatch Yellow	200	FT	10.00	2,000.00
30	Rem Spec Mrkg	9250	SFT	3.50	32,375.00
31	_ Temporary Traffic Control, Devices	1	LSUM	20,000.00	20,000.00
32	Rudbeckia fuldiga 'Goldsturm', #2 cont.	168	EA	44.00	7,392.00
33	Syringa patula 'Miss Kim', #3 cont.	21	EA	70.00	1,470.00
34	_ Planting Soil, Special	63	CYD	135.00	8,505.00
35	_ Permit Allowance	1000	DLR	1.00	1,000.00
36	_ Inspection Crew Days	23	CDAY	800.00	18,400.00
Bid					\$682,137.00

BID
for
NOVI ROAD MEDIANS

Bid of Merlo Construction Co, Inc. hereinafter called Bidder, organized and existing under the laws of or a resident of the State of Michigan, doing business as a corporation.*

Insert as applicable: "a corporation", "a partnership" or "an individual".

TO THE CITY OF NOVI, MICHIGAN, hereinafter called OWNER:

The undersigned as Bidder hereby declares: that this Bid is made in good faith without fraud or collusion with any person or persons bidding on the same Contract; that the Bidder has read and examined the Advertisement for Bids, Instructions to Bidders, Bid, General Conditions, Supplementary Conditions, Agreement, Forms of Bond, Specifications and Drawings, as prepared by the ENGINEER, and understands all of the same; that the Bidder of its representative has made personal investigation at the site and has become fully familiar with regard to the conditions to be met in the execution of this Contract, and the undersigned proposes to furnish all labor, materials, tools, power, transportation, and construction equipment necessary for the construction of the Project and performing related work in full accordance with the aforesaid Contract Documents, including any and all Addenda officially issued, their receipt of which is hereby acknowledged:

Addendum No. <u>N/A</u>	Addendum Date _____
_____	_____
_____	_____

The Contract will be awarded to the lowest responsive, responsible Bidder based on the unit prices for all Work specified.

The Bidder agrees to complete the Project for the following unit prices:

Item No.	Item Description	Unit	Qty	Unit Price	Total Price
1	_Pre-Construction Audio-Visual	LSUM	1	\$1,785.00	\$1,785.00
2	Mobilization, Max	LSUM	1	\$30,000.00	\$30,000.00
3	Excavation, Earth	Cyd	2765	\$20.00	\$55,300.00
4	Erosion Control, Inlet Protection, Fabric Drop	Ea	35	\$175.00	\$6,125.00
5	Project Cleanup	LSUM	1	\$1.00	\$1.00
6	Subbase, CIP	Cyd	1180	\$26.00	\$30,680.00



7	Aggregate Base	Ton	2683	\$30.00	\$80,490.00
8	Dr Structure Cover, Adj, Case 2	Ea	7	\$700.00	\$4,900.00
9	Dr Structure Cover, Type B	Ea	3	\$650.00	\$1,950.00
10	Dr Structure Cover, Type G	Ea	2	\$525.00	\$1,050.00
11	Dr Structure, Adj, Add Depth	Ft	8	\$120.00	\$960.00
12	HMA Surface, Rem	Syd	673	\$16.00	\$10,768.00
13	Hand Patching	Ton	31	\$260.00	\$8,060.00
14	HMA, 4EL	Ton	210	\$225.00	\$47,250.00
15	Conc Pavt, Nonreinf, 6 inch	Syd	1612	\$63.00	\$101,556.00
16	_Conc Pavt, Decorative, Nonreinf, 6 inch	Syd	30	\$200.00	\$6,000.00
17	_Conc Pavt, Misc, Reinf, 18 inch, Modified	Syd	105	\$180.00	\$18,900.00
18	Shld Gutter, Conc, Det 1	Ea	4	\$1,300.00	\$5,200.00
19	Shld Gutter, Conc, Det 3	Ea	4	\$1,300.00	\$5,200.00
20	_Curb and Gutter, Conc, Det C4, Modified	Ft	2683	\$29.00	\$77,807.00
21	_Curb and Gutter, Conc, Det C4, Reverse Gutter, Modified	Ft	1503	\$29.00	\$43,587.00
22	Post, Steel, 3 pound	Ft	140	\$16.00	\$2,240.00
23	Sign, Type III, Erect, Salv	Ea	26	\$125.00	\$3,250.00
24	Sign, Type III, Rem	Ea	5	\$30.00	\$150.00
25	Sign, Type IIIB	Sft	28	\$19.00	\$532.00
26	Sign, Type III, Rem, Salv	Ea	25	\$30.00	\$750.00
27	Ground Mtd Sign Support, Rem	Ea	16	\$40.00	\$640.00
28	Pavt Mrkg, Sprayable Thermopl, 4 inch, Yellow	Ft	6300	\$1.05	\$6,615.00
29	Pavt Mrkg, Thermopl, 12 inch, Cross Hatching, Yellow	Ft	200	\$10.00	\$2,000.00
30	Rem Spec Mrkg	Sft	9250	\$3.50	\$32,375.00
31	_Temporary Traffic Control Devices	LSUM	1	\$20,000.00	\$20,000.00
32	Rudbeckia fuldiga 'Goldsturm', #2 cont.	Ea	168	\$44.00	\$7,392.00
33	Syringa patula 'Miss Kim', #3 cont.	Ea	21	\$70.00	\$1,470.00
34	_Planting Soil, Special	Cyd	63	\$135.00	\$8,505.00



35	_Permit Allowance	Dir	1000	\$1,000.00	\$ 1,600.00
36	_Inspection Crew Days	Cday	23	\$800.00	\$ 18,400.00
				\$	\$ 642,888.00

If the foregoing Bid shall be accepted by the OWNER, the undersigned agrees to enter into the attached form of Agreement within ten (10) days after receiving notice of such acceptance, will furnish the OWNER satisfactory bonds and certificates of insurance coverage, and will complete the Project, at the price and within the time stated in this Bid.

The undersigned further agrees that if the foregoing Bid shall be accepted, work will commence immediately after the Contract has been awarded, the Agreement executed, and a Notice to Proceed received. **The undersigned shall complete the Work to Substantial Completion within 30 calendar days, and to Final Completion, including restoration and all punch list items, within 45 calendar days.**

The undersigned attaches hereto its Bid security, as required by the Advertisement for Bids and Instructions to Bidders. The undersigned agrees that in case it shall fail to fulfill its obligations under the foregoing Bid, and/or shall fail to furnish bonds, as specified, the OWNER may, at its option determine that the undersigned has abandoned its rights and interests in such Contract and that its Bid security accompanying its Bid; has been forfeited to the said OWNER, but otherwise the Bid security shall be returned to the undersigned upon the execution of the Contract and the acceptance of the bonds.

The undersigned also agrees that for each and every calendar day that he may be in default of Substantial Completion of the Work, within the time specified in this Bid, the OWNER will suffer a damage of One Thousand Dollars (\$1,000.00) per day, and said OWNER shall be compensated therefore at the rate as liquidated damages in accordance with the Agreement.

In submitting this Bid, it is understood that the right is reserved by the OWNER to accept any bid, to reject any or all Bids, and to waive irregularities in bidding in the interest of the OWNER.

SUBMITTED on 2/11/26
Date*

BY: Brian Misaras
Name of Bidder*

4964 Technical Drive
Street*

[Signature]
Signature

MILFORD, MI 48381
City, State, ZIP*

President
Name and Title of Signatory*

(248)714-5486
Telephone Number*

(248)714-5249
Facsimile Number*

*Typed or printed in ink.

