

SPECIAL MEETING OF THE COUNCIL
OF THE
CITY OF DEARBORN

May 22, 2014

The Council convened at 5:34 p.m., President of the Council Susan Dabaja presiding. Present at roll call were Councilmembers Abraham, Bazy, O'Donnell, Sareini, Shooshanian, Tafelski and Council President Dabaja. Absent: None. A quorum being present, the Council was declared in session.

DATE : May 21, 2014
TO : City Clerk
FROM : City Council.
SUBJECT : Special Council Meeting

You are hereby requested to call a Special Meeting of the City Council to be held on Thursday, May 22, 2014 at 5:25 P.M. in the Mayor's Conference Room of the City Hall for the following purposes:

1. To consider and take action concerning CSO#004 - Storm Sewer Separation Project Takeover Agreement, and
2. To consider such other items of business that may properly come before the Council in relation to this matter.

S/ Brian C. O'Donnell
Councilmember

S/Robert A. Abraham
Councilmember

By Tafelski supported by O'Donnell.

5-264-14. WHEREAS: Council Resolution No. 1-14-13 authorized a contract for the CSO #004 Storm Sewer Separation Project, Phase 2, Job No. 11-11-066 to Lakeshore Toltest Corporation (LTC) in the amount of \$13,140,000.18. The construction for this project which is scheduled for two (2) years began last year. LTC completed 40% of the project last year (value of \$5,455,527) and they resumed the construction activities for the project on March 31, 2014. With a successful achievement last year and promising start this year thus far, LTC has been satisfactorily performing construction activities with no major issues, and

WHEREAS: On May 5, 2014, the City received a hand delivered notification from LTC informing us that Lakeshore Toltest Corporation as the contractor for the above referenced project is unable to perform or complete the performance of the work or comply with its contractual obligations on the project, and is in default under the contract. The notification also states that LTC has irrevocably and voluntarily waived LTC's right to be declared in default as well and LTC's right to cure any such default as provided in the Contract, and

WHEREAS: Ohio Indemnity Company ("OIC") is the surety for Lakeshore Toltest Corporation for the above referenced project, and

WHEREAS: On May 5, 2014, LTC also hand delivered a letter from Evergreen National Indemnity Company ("ENIC") dated May 1, 2014 addressed to the City of Dearborn, In their May 1, 2014 letter, ENIC notified the City that "ENIC", on behalf of OIC is investigating this matter and has evaluated potential options for fulfilling its bond obligations. In order to fulfill its bond obligations, the Surety has now retained Lakeshore Global Corporation ("Lakeshore Global") as the "Completion Contractor" to complete the remaining construction for the project. Effective May 1, 2014, Lakeshore Global was on site and took over the remaining construction for the project. The change was not apparent to the City because most of the former LTC employees are now employed by Lakeshore Global, and

WHEREAS: Since May 5, 2014, Ohio Indemnity Company, Lakeshore Global Corporation and Corporation Counsel have been diligently working to finalize the Take Over Agreement for City Council approval; therefore be it

RESOLVED: That the City Council hereby designates Lakeshore Global Corporation as the Completion Contractor for Ohio Indemnity Company, conditioned upon the execution of an approved Take Over Agreement in which Lakeshore Global takes over the agreement currently between the City of Dearborn and Lakeshore Toltest Corporation (LTC); be it further

RESOLVED: That this resolution be given immediate effect.

The resolution was unanimously adopted.

By Tafelski supported by Bazzy.

5-265-14. RESOLVED: That the written notice required by Section 7.6 of the City Charter for each item to be considered at the Special Meeting is waived.

By Tafelski supported by Bazzy.

5-266-14. WHEREAS: Ordinance No. 05-1062, Section 2-568 (b) 6, authorizes sole source procurement in certain circumstances, and

WHEREAS: The Purchasing Agent has received a request for a sole source procurement; be it

RESOLVED: That DiPonio Contracting, Inc. be designated as a sole source for purchase of Installation of Conduit in an amount not to exceed \$35,000 and that the Purchasing Agent be authorized to enter into a purchase order for the aforementioned items; be it further

RESOLVED: That this purchase order shall be financed from the Information Systems Fund, MIS, Capital Equipment budget, Project ZT0801; be it further

RESOLVED: That this resolution be given immediate effect.

The resolution was unanimously adopted.

There being no further business, upon a motion duly made, seconded, and adopted, the Council then adjourned at 6:04 P.M.

APPROVED:

President of the Council

ATTESTED:

City Clerk