



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2016-0082

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: March 14, 2016
SUBJECT: Norton Lawn/Hickory Lawn Special Assessment District (SAD)
Paving Project - City File No. E14-030

REQUEST:

The Department of Public Services requests that City Council award a contract for the *Norton Lawn/Hickory Lawn SAD Paving Project* to Florence Cement Company of Shelby Township, Michigan in the amount of \$828,123.88 with a 10% contingency of \$82,812.39 for a total not-to-exceed amount of \$910,936.27 and authorizes the Mayor to execute a contract on behalf of City.

REASON FOR PURCHASE:

On Thursday, January 10, 2016, the City received seven (7) sealed bids for the *Norton Lawn/Hickory Lawn SAD Paving Project* (bid tabulation is attached). Of the bids received, Florence Cement Company was the lowest, responsive, responsible bidder. Work is expected to begin in May 2016 with a final completion date scheduled for early August 2016.

PROCESS:

Vendor Name and Address:

Florence Cement Company
12585 23 Mile Rd
Shelby Twp, MI 48315

Reason for Selection:

Lowest, Responsive, Responsible Bidder

Method of Purchase:

Blanket Purchase Order/ Contract

BUDGET:

Partial funding is included in the FY 2016 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Road	454.970000	Construction	\$200,000.00	\$910,936.27	(\$710,936.27)

The additional funding for this project is proposed to be drawn from Local Street Fund Balance. All Special Assessment revenues will be received into the Local Street Fund.

As of 12/31/2015 (not yet audited), the Local Street Fund has an ending fund balance of \$7.1 million. As part of the October 5, 2015 City Council discussion regarding the Fire Stations, \$1.5 million of General Fund contributions were redirected in FY 2016 from the Local Street Fund towards the construction of Fire Station #4. The 12/31/2016 year end Local Street Fund balance is currently projected at \$5.6 million, if this project is approved the 12/31/2016 year end Local Street Fund balance would then be projected at \$4.9 million.

If City Council approves the construction contract award, a 2nd Quarter 2016 Budget Amendment shall be brought forth to increase the capital project budget for the SAD construction cost with the funding to be drawn from Local Street Fund balance. As well, anticipated Special Assessment revenues will be incorporated in future Local Street budgets.

RECOMMENDATION:

It is recommended that City Council award the *Norton Lawn/Hickory Lawn SAD Paving Project* to Florence Cement Company of Shelby Township, Michigan as the lowest, responsive, responsible bidder in the amount of \$828,123.88 and authorize the Mayor to execute a contract on behalf of the City.

The Department of Public Services also requests City Council authorization of a 10% contingency in the amount of \$82,812.39 to allow for quantity adjustments based on final measurements verified in the field for a total not-to-exceed construction cost of \$910,936.27.

Attachment(s): Bid Tabs.xlsx

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		