



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
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[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2021-0313 Version 2

**TO:** Mayor and City Council Members

**FROM:** Ken Elwert, CPRE, Director Parks and Natural Resources

**DATE:** November 14, 2022

**SUBJECT:** Increase to Contract for Innovation Hills Parking Lot Expansion Project

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**REQUEST:**

City Council is requested to authorize an increase to the contract/blanket purchase order for the Innovation Hills parking lot expansion project in the amount of \$7,878.04 for a new total not-to-exceed project amount of \$270,305.04 to Hutch Paving, Inc., Warren, Michigan.

**REASON FOR PURCHASE:**

At their August 16, 2021 meeting, City Council authorized the award of the Innovation Hills Parking Lot Expansion Project to Hutch Paving, Inc., as the lowest, responsive, responsible bidder. The reason for the requested increase is twofold. First, the City was attempting to secure additional parking in the neighboring lot while this contract was underway, resulting in multiple back and forths on the quantities of pavement needed, eventually increasing the quantity of pavement around the Ranger Office once it was discovered we could not secure additional parking space. Second, the new consultant engineer managing the project made a mistake on the initial estimate for quantity of aggregate, basing the initial quantity on compacted aggregate instead of loose aggregate, resulting in almost double the quantity of aggregate used than originally estimated. Management was very concerned about this difference and as a result Dan Mitchel from HRC personally performed an audit of this project, discovering the aggregate problem. Requested increase is for audited actual materials used in building the parking lot extension.

**PROCESS:**

**Vendor Name and Address:**

Hutch Paving, Inc.  
3900 East Ten Mile  
Warren, MI 48091

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Contract/Blanket Purchase Order

**BUDGET:**

Funding was included in the FY 2021 Budget in the amount of \$264,480. There is no funding budgeted in the Adopted FY 2022 Budget. If approved by City Council, a 4<sup>th</sup> Quarter Budget Amendment shall be presented to increase the project expense budget in the Facilities Fund by +\$7,880 with offsetting revenue transferred-in from the Capital Improvement Fund.

Fund Name	Department Account No	Account No. Description	Current Budget Amount	Cost	Updated Remaining Budget
Facilities Fund	631.974000	Land Improvement	\$0	\$7,878.04	(\$7,878.04)

**RECOMMENDATION:**

It is recommended that City Council authorize an increase to the contract/blanket purchase order for the Innovation Hills parking lot expansion project in the amount of \$7,878.04 for a new total not-to-exceed project amount of \$270,305.04 to Hutch Paving, Inc., Warren, Michigan.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney       Yes       N/A