



**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: 2015-0105

TO: Mayor and City Council Members
FROM: Scott Cope, Director of Building/Facilities
DATE: March 16, 2015
SUBJECT: Demolition Services at 2230 Hickory Leaf Drive

REQUEST:

Request for purchase authorization for a contract for the demolition of the structure located at 2230 Hickory Leaf Drive to Blue Star, Inc., Warren, Michigan in the amount of \$25,800.00 plus a 10% contingency of \$2,580.00 for a not-to-exceed total of \$28,380.00.

REASON FOR PURCHASE:

The residence at 2230 Hickory Leaf has set vacant, severely damaged, and boarded up since a structure fire that occurred on February 4, 2012. The owner obtained a building permit to reconstruct the residence on 2-13-13. Reconstruction activity continued through the summer months of 2013 and then it stopped. There were no inspections requested for six months, so our inspection staff performed a progress check. They found numerous code violations and safety concerns and issued a stop work order on 9-12-13. After the stop work order, the Ordinance enforcement staff issued several compliance notices for property maintenance violations, two of which resulted in Citations being issued requiring the owner to appear at 52-3 District Court. The owner failed to appear both times resulting in warrants being issued. After spending the first half of 2014 attempting to locate the owner, the City Attorney decided to go to Circuit Court for an order granting the city permission to demolish the blighted structure. That order was granted on December 3, 2014 with time and progress deadlines for the owner. The owner has failed to comply with the March 2, 2015 deadline in the court order and the City is ready to move forward with demolition.

Request for Proposals were solicited and reviewed by a committee consisting of Building and Purchasing staff. Blue Star, Inc. was selected as providing the lowest cost and best value for the City.

PROCESS:

Vendor Name and Address:

Blue Star Inc.
21950 Hoover Road
Warren, MI 48089

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

No funding is included for demolition services as part of the FY 2015 Adopted Budget.

As the cost of the demolition is to become a lien against the subject property and shall be added to the City's property tax roll, the City will receive reimbursement for this expenditure.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
General Fund	372.807000	Contractual Services	\$0	\$28,380	(\$28,380)

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize a contract for demolition services at 2230 Hickory Leaf Drive to Blue Star, Inc., Warren, Michigan in the amount of \$25,800.00 plus a 10% contingency in the amount of \$2,580.00 for a not-to-exceed total of \$28,380.00 and authorize the Mayor to execute a contract on behalf of the City.

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