



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: 2015-0512 Version 2

TO: Mayor and City Council Members

FROM: Allan E. Schneck, P.E., Director Department of Public Services

DATE: October 10, 2016

SUBJECT: Increase to Blanket Purchase Order for Underground Utility Repairs and Related Services

REQUEST:

City Council is requested to authorize an increase to the shared blanket purchase order for underground utility repairs and related services to Pamar Enterprise, Inc., New Haven, Michigan and Superior Excavating, Auburn Hills, Michigan in the amount of \$100,000 for a new not-to-exceed amount of \$300,000 through December 31, 2017.

REASON FOR PURCHASE:

The City issued Request for Proposals in 2012 to provide personnel, equipment, materials and expertise to assist with immediate, prompt, and scheduled responses for repairs on sanitary sewer, water main and storm drainage systems including detention/retention basins and/or related work. The Request for Proposal called for an initial contract term of three (3) years with a two (2) year renewal option provided all terms and conditions remained the same. The renewal options were exercised and City Council awarded the contract extension to Pamar Enterprise, Inc. and Superior Excavating at their December 14, 2015 meeting.

The services provided include, but are not limited to late night repair of broken water main, scheduled repair of leaking water main, reconstruction of sanitary manhole(s), cleanout of detention basin, replacement of collapsed sanitary sewer and removal of a blockage in a storm line. The services proposed are projects that City employees would be unable to perform because of time restraints, safety factors, and lack of resources for the appropriate equipment. The purpose of selecting two contractors is to give the City the ability to choose, which contractor will best fit the needs required at the time of the utility repair or related services based on availability, resources and cost.

The City has had some unexpected repairs that have come up and utilization of the blanket has been more than anticipated. A couple of recent issues, related to the Jenoptik development have been brought to the Engineering Division which were not anticipated, but are required to be rectified by the City based on purchase agreement requirements. The City has issued Request for Proposals for the repair work needed, but it is uncertain at this time as to whether or not the City will receive fair, competitive bid, or any bids at all based on project timing and tight completion deadlines. If bids are not received, the City will need to utilize the blanket purchase order to get the repairs completed. It is also the intent, if one of our on-call vendors is the lowest cost/best value proposer on the separate solicitations issued, it is the intent to utilize this blanket for these repairs in order to expedite the contracting process to meet the required deadlines. The City wanted to do its due diligence in ensuring pricing to complete these projects was competitive and that is why solicitations were issued instead of utilizing the blanket in place, ensuring best value. In order to be proactive instead of reactive the increase to the blanket purchase order is being requested at this time, so that if the above factors occur, the City is able to react and engage the services of our on-call contractor(s) to complete the repairs.

PROCESS:

Vendor Name and Address:

Pamar Enterprises, Inc.
58021 Gratiot
New Haven, MI 48309

Superior Excavating, Inc.
PO Box 4290
Auburn Hills, MI 48326

Reason for Selection:

Best Value/Quality Based Selection

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Partial funding is included in the 2016 Adopted Budget. If approved by City Council, Fiscal will present a 4th Quarter 2016 Budget Amendment to increase the budget for Urgent Water & Sewer Repairs with the offsetting funding to be drawn from Water & Sewer Capital Fund retained earnings.

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-Year Cost	2-Year Remaining Budget
Water & Sewer Capital Fund	593.972000	Mains & Services	\$200,000	\$300,000	(\$100,000)

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize an increase to the shared blanket purchase order for underground utility repairs and related services to Pamar Enterprise, Inc., New Haven, Michigan and Superior Excavating, Auburn Hills, Michigan in the amount of \$100,000.00 for a new not-to-exceed amount of \$300,000.00 through December 31, 2017.

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