



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2016-0431

**TO:** Mayor and City Council Members

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

**DATE:** October 24, 2016

**SUBJECT:** Sanitary Sewer Lead Installation, 1544 W. Hamlin Road, City File #E16-020

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**REQUEST:**

City Council is recommended to authorize a blanket purchase order/contract for sanitary sewer lead installation at 1544 W. Hamlin Road in the amount not-to-exceed \$106,000 to V.I.L. Construction, Inc. of Sterling Heights, MI.

The Department of Public Services also requests City Council authorization of a 10% contingency in the amount of \$10,600 to allow for quantity adjustments based upon final measurements verified in the field for a total not-to-exceed construction cost of \$116,600.

**REASON FOR PURCHASE:**

The City needs to install a 6" sanitary sewer lead for the Jenoptik site located at 1544 W. Hamlin Road. Per a recent televised inspection, the existing sanitary service is damaged and cannot be used. The proposed lead is approximately 110 feet and will be installed via the directional drilling method. This method will reduce needed lane closure and pavement replacement.

The City issued a Request for Proposals utilizing the MITN system for the sanitary sewer lead installation at 1544 W. Hamlin Road. One responsive, responsible proposal was received in the amount of \$157,500. City staff evaluated the proposal and found the proposer to be responsive and responsible. Subsequently, the City requested an interview with the vendor to discuss the proposed work plan. Through these discussions, the City subsequently negotiated a revised work plan, as allowed with the Request for Proposals process, for the revised amount of \$106,000. In addition to the project cost, the City is requesting a 10% project contingency for a total not-to-exceed construction cost of \$116,600. The City conducted market research and the pricing for the work plan proposed has been found to be fair and reasonable and recommends to V.I.L. Construction, Inc. of Sterling Heights, MI as the best value for the City.

**PROCESS:**

**Vendor Name and Address:**

V.I.L. Construction, Inc.  
6670 Sims Drive  
Sterling Heights, MI 48313

**Reason for Selection:**

Best Value

**Method of Purchase:**

Blanket Purchase Order/Contract

**BUDGET:**

If approved by City Council, a 4<sup>th</sup> Quarter Budget Amendment will be presented to increase the capital project budget with offsetting funds to balance drawn from W&S Capital Fund Retained Earnings.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
W&S Capital Fund	593.972000	Mains & Services	\$0	(\$116,600)	(\$116,600)

**RECOMMENDATION:**

City Council is recommended to authorize a blanket purchase order/contract for sanitary sewer lead installation at 1544 W. Hamlin Road in the amount not-to-exceed \$106,000 to V.I.L. Construction, Inc. of Sterling Heights, MI.

The Department of Public Services also requests City Council authorization of a 10% contingency in the amount of \$10,600 to allow for quantity adjustments based final measurements verified in the field for a total not-to-exceed construction cost of \$116,600.

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