



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
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Legislative File No: 2017-0202

TO: Mayor and City Council Members

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

DATE: May 1, 2017

SUBJECT: Water Main Replacement & Road Resurfacing Project
Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions
City File #E17-005

REQUEST:

The Department of Public Services recommends awarding the contract for the *Water Main Replacement & Road Resurfacing Project (Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions)* to Pamar Enterprises, Inc. of New Haven, Michigan in the amount of \$5,316,869.00 and authorizes 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 \$531,686.90 to allow for quantity adjustments based final measurements verified in the field for a total not-to-exceed construction cost of \$5,848,555.90.

REASON FOR PURCHASE:

The Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions project consists of a water main replacement and an asphalt overlay.

The water main replacement project is being completed because of its age and cast iron pipe material type. The Scope of Work includes the replacement of approximately 27,279 LFT of 6" and 8" cast iron water main with 10" HDPE SDR 11 pipe via the pipe bursting method. The contractor will be responsible for supplying customers with a potable source of water or ensure that water shut offs are minimal during the main replacement project.

The scope of work for the road project includes a 2-inch mill and asphalt overlay project throughout the Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions. The contractor shall maintain local traffic at all times.

Rochester Hills received two (2) sealed bids for the project on April 19, 2017 (bid summary attached). Of the bids received, Pamar Enterprises, Inc. was the lowest, responsive, responsible bidder.

Work is expected to begin in June 2017 with a completion date scheduled for November 2017.

PROCESS:

Vendor Name and Address:

Pamar Enterprises, Inc.
58021 Gratiot Avenue
New Haven, MI 48048

Reason for Selection:

Lowest, Responsive, Responsible Bidder

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

The Water Main Replacement & Local Street Resurfacing Project (Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions) is included in the FY 2017 Adopted Budget and was included in the CIP.

If approved by City Council, a potential 4th Quarter budget Amendment may be presented for the Local Street project portion if contingency funding is required in an amount greater than the project budget amount. Please note the Local Street cost as proposed includes \$142,291.50 (or 10%) for contingency.

As well, the remaining budget amount for the project presented [\$1,514,755.88] is the amount of Local Street construction budget remaining after the 2017 Local Street Asphalt program [\$820k] and 2017 Local Street Concrete program [\$2.2M]. Each of those projects include 10% contingency in their project cost. If those projects do not utilize the full amount of authorized contingency (approx.. \$300k), those additional funds can be used to offset any additional costs for the Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions repaving project.

2017 Local Street Construction Budget Allocation

Project:	Project Cost:	Balance:	ID#:	Date:
Original Budget		\$ 4,677,270.00		
2017 L/S Asphalt Program	\$ 820,848.25	\$ 3,856,421.75	2017-0106	13-Mar-17
2017 L/S Asphalt Program (C/E)	\$ 82,133.22	\$ 3,774,288.53	2017-0107	13-Mar-17
2017 L/S Concrete Program	\$ 2,221,341.65	\$ 1,552,946.88	2017-0105	13-Mar-17
2017 L/S Concrete Program (C/E)	\$ 38,171.00	\$ 1,514,775.88	2017-0102	13-Mar-17
Section #33 L/S Rehabilitation	\$ 1,565,206.50	\$ (50,430.62)	2017-0202	1-May-17
TOTAL	\$ 4,727,700.62			

Note: Another agenda summary will be forthcoming for the approval of construction engineering services for the road paving portion of this project which will include an additional budget amendment request for the Local Street paving project portion.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Water & Sewer Capital Fund	593.972000	Equipment: Mains & Services	\$6,432,500.00	\$4,283,349.40	\$2,149,150.60
Local Street Fund	454.970000	Construction	\$1,514,755.88	\$ 1,565,206.50	(\$50,450.62)
		TOTAL PROJECT	\$7,997,058.88	\$5,848,555.90	\$2,098,699.98

RECOMMENDATION:

The Department of Public Services recommends awarding the contract for the *Water Main Replacement & Road Resurfacing Project (Belle Cone Gardens, Homestead Acres & Sunnydale Gardens Subdivisions)* to Pamar Enterprises, Inc. of New Haven, Michigan in the amount of \$5,316,869.00 and authorizes 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 \$531,686.90 to allow for quantity adjustments based final measurements verified in the field for a total not-to-exceed construction cost of \$5,848,555.90.

Attachment: As read Bid Summary

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