



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: 2018-0202

**TO:** Mayor and City Council Members  
**FROM:** Allan E. Schneck, P.E., Director Department of Public Services  
**DATE:** May 21, 2018  
**SUBJECT:** Hamlin Road Rehabilitation Project

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**REQUEST:**

City Council is requested to authorize a blanket purchase order/contract for the Hamlin Road Rehabilitation Project to Dan's Excavating, Shelby Township, Michigan in the amount of \$4,957,061.84 with a 10% project contingency in the amount of \$495,706.18 for a total not-to-exceed project cost of \$5,452,768.02 and further authorizes the Mayor to execute a contract on behalf of the City.

**REASON FOR PURCHASE:**

On Tuesday, May 8, 2018, the City received four (4) sealed bids for the Hamlin Road Rehabilitation Project (bid tabs attached). Of the bids received, Dan's Excavating, Inc. was the lowest, responsive, responsible bidder.

Work is set to begin in June 2018 with an Open to Traffic in late August 2018 and a completion date in late October 2018.

The Scope of Work includes: Drainage structure adjust/recondition/reconstruct; installation of under drains; placement of aggregate base for concrete roads and drives, concrete pavement removal and replacement; restoration; and other miscellaneous items of work.

**PROCESS:**

**Vendor Name and Address:**

Dan's Excavating, Inc.  
12955 23 Mile Road  
Shelby Township, MI 48315

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Blanket Purchase Order/Contract

**BUDGET:**

Funding is included in the FY 2018 Adopted Budget for the Rochester Hills Section.

The City of Rochester Hills has entered into a cost participation agreement with the Road Commission for Oakland County (RCOC) to split the cost of the Rochester Hills project section 50% = RCOC and 50% = Local (Rochester Hills) Share.

The City of Rochester Hills has also approached the Local Development Finance Authority (LDFA) Board regarding the project which runs along the LDFA northern border. At the LDFA Board's April 2018 meeting, the LDFA Board approved a cost share agreement for the project whereas the LDFA Fund will contribute 75% of the remaining 50% Local (Rochester Hills) share up to \$2,000,000 maximum share.

Please note: *Previously the LDFA Board has approved a cost share agreement of 50% of the remaining 50% Local (Rochester Hills) share up to a \$1,000,000 maximum share.* If approved by City Council a 2<sup>nd</sup> Quarter Budget Amendment will be presented to increase the LDFA contribution to the Major Road Fund for this project to the new agreed upon level which will have a net positive impact on Major Road Fund Balance.

The City of Rochester Hills has entered into a cost participation agreement with the City of Auburn Hills, whereas the City of Auburn Hills will reimburse the City or Rochester Hills for all costs associated with the portion of the project in their respective city. If approved by City Council a 2<sup>nd</sup> Quarter Budget Amendment will be presented to increase both the capital project expenditure cost and the offsetting reimbursement revenue in the Major Road Fund budget.

Fund Name	Department Account No	Account No. Description	Remaining Budget Amount	Cost	Remaining Budget
Major Road Fund	452.970000	Construction - Rochester Hills section	\$5,228,760.00	\$4,534,393.48	\$694,366.52
Major Road Fund	452.970000	Construction - Auburn Hills section	\$0.00	\$918,374.55	(\$918,374.55)
		<b>GRAND TOTAL</b>	<b>\$5,228,760.00</b>	<b>\$5,452,768.02</b>	<b>(\$224,008.02)</b>

**RECOMMENDATION:**

It is recommended that City Council authorize a blanket purchase order/contract for the Hamlin Road Rehabilitation Project to Dan's Excavating, Shelby Township, Michigan in the amount of \$4,957,061.84 with a 10% project contingency in the amount of \$495,706.18 for a total not-to-exceed project cost of \$5,452,768.02 and further authorizes the Mayor to execute a contract on behalf of the City.

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