



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2019-0193

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., Director of Public Services
DATE: May 6, 2019
SUBJECT: 2019 Concrete Road Replacement Program
Construction Engineering Services, City File No. E19-001

REQUEST:

City Council is requested to approve a blanket purchase order/contract for construction engineering services for the proposed 2019 Concrete Road Replacement Program to Nowak & Fraus Engineers of Pontiac, Michigan and authorizes the Mayor to execute the contract on behalf of the City. Staff has provided two (2) contract award amount options as follows:

- **Option 1**, award a contract, at the remaining budget amount, for an amount of \$130,000. This option would necessitate removing several of the work locations to match the budgeted amount.
- **Option 2**, award the contract, as bid, for an amount of \$218,396. This option would encompass the entire scope of the construction project as bid in option #2 of the 2019 Concrete Road Rehabilitation Program Agenda Summary (2019-0171).

REASON FOR PURCHASE:

The Department of Public Services recently received bids for the 2019 Concrete Road Rehabilitation Program. Based on the 2019 department workload, the Department of Public Services has determined an engineering consultant should supplement the construction engineering services.

Staff recommends Nowak & Fraus Engineers to provide the construction engineering services to the City. The attached proposal describes the scope of services included for the construction engineering services to complete the work.

PROCESS:

Vendor Name and Address:

Nowak & Fraus Engineers
46777 Woodward Avenue
Pontiac, MI 48342

Reason for Selection:

Quality Based Selection

Method of Purchase:

Blanket Purchase Order

BUDGET:

Option 1 – Award Contract at Remaining Budget:

Funding for Option #1 is included in the FY 2019 Adopted Budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Street Fund	454.970000	Construction (LS-01) 2019 Local Street Concrete Program	\$130,000.00	\$130,000.00	\$0.00

Option 2 – Award Contract as Bid

If approved by City Council, a 2nd Quarter 2019 Budget Amendment will be presented to increase the 2019 Local Street Concrete program construction engineering budget by \$90,000.

The proposed sources of funding will come in part from Local Street Fund balance. Per the FY 2018 Audit, the Local Street Fund Balance reserves have nearly \$300,000 in additional funds to come in line with the Local Street Fund Balance Policy level of 25% of annual expenditures. Additional funding for the balance of 2019 Local Street Concrete program shall come from the General Fund transfer-in.

It should be noted: Including the potential additional funding level of General Fund transfer-in to the Local Street Fund for the 2019 Local Street Concrete Program in Option #2, the General Fund is still anticipating an increased transfer-out to the Capital Improvement Fund of over \$1.0M as part of the 2nd Quarter Budget Amendment in order to come in line with the General Fund's Fund Balance Policy level of 80% of annual operating expenditures.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Street Fund	454.970000	Construction (LS-01) 2019 Local Street Concrete Program	\$130,000.00	\$218,396.00	(\$88,396.00)

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order/contract for construction engineering services to Nowak & Fraus Engineers, Pontiac, Michigan for the proposed 2019 Concrete Road Replacement Program in a not-to-exceed amount of \$218,396.00 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		

Contract Reviewed by City Attorney Yes N/A

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