



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2019-0357

TO: Mayor and City Council Members

FROM: Allan E. Schneck, PE, Director, Department of Public Services
Sara Roediger, AICP, Director, Planning and Economic Development Department

DATE: August 12, 2019

SUBJECT: Auburn Road Corridor Plaza and Gateway Features (Phase III); City File Number E16-015

REQUEST:

City Council is requested to authorize a blanket purchase order/contract for the Auburn Road Phase III Plaza and Gateway Features Project to Angelo lafrate Construction Company in the amount of \$2,365,223.50 with a 5% project contingency in the amount of \$118,261.18 for the total not-to-exceed amount of \$2,483,484.68.

City Council is requested to waive Section 2-275(c) the formal completion requirement for purchases or contracts estimated to exceed \$25,000.00, under Section 2-281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City to waive the requirement of formal competition.

REASON FOR PURCHASE:

The Auburn Road corridor redevelopment project is an excellent example of professional planning and engineering, taking advantage of unique opportunities, and City leadership staying true to a course of redevelopment and investment vision. One of the earliest neighborhood areas within Rochester Hills, which has long since been overdue for investment, is currently undergoing a significant rebuilding of its support infrastructure and streetscape to provide for a safer and more attractive and desirable Brooklands area. Along the way, the scope of the Auburn Road reconstruction project has evolved in a positive direction and magnitude to create a project even better than originally anticipated. Some examples of the City seizing and leveraging unique opportunities during this project are numerous and include:

- Acquiring ownership of Auburn Road along the project corridor limits through a successful jurisdictional transfer with the Michigan Department of Transportation (MDOT)
- Receiving two residential home donations to allow the development of one large public parking lot
- Having another residential home become available to be purchased adjacent to the exact location that we needed to eliminate a difficult parking dilemma with the Metro PCS building and the adjacent Auburn Animal Hospital so a second municipal parking lot could be built
- Closing Emmons Avenue north of Auburn and utilize its prime location between the adjacent City-owned former precinct site and the vacant property west of the Metro PCS building to be redeveloped
- Applying for and obtaining a federal road funding grant, a transportation alternative program grant, and a green implementation infrastructure program grant, and a cash contribution from MDOT in conjunction with the road transfer to help aid to funding these improvements.

Perhaps the most exciting and anticipated portion of the Auburn Road reconstruction project is the proposed development of a public plaza and the addition of architectural gateway and accent features. This project

phase elevates the road reconstruction project through the use of coordinated placemaking elements to truly create a desirable and attractive district for residents and businesses alike. Instead of creating a passive public space of the former precinct property as originally planned, the City is now proposing to use Emmons Road and the vacant acquired property to the east to create an exciting and unique public plaza. This will be a space for community events, public gatherings, family picnics, or a lazy afternoons lost in a book. It will be a one-of-a-kind neighborhood feature with points of interest for everyone – areas for gathering, unique paving patterns, integrated softscape features, exclusive accent lighting, aesthetic plantings, an inviting atmosphere... and the City's first splash pad.

The final piece to the puzzle lies in the artistic gateway-style centerpieces that solidify and unify the new Brooklands identity. Throughout the new roadway median, side-by-side sculptural threads invoke the hills, creeks, and rivers which weave together the entire Rochester Hills community. The materials palette of the threads references a more recent history, using juxtaposed metal finishes to pay homage to the valuable heritage of the neighborhood while also welcoming the revitalization of the corridor. Each newly established roundabout also tells a story, weaving these natural forms and contemporary materials to create emblematic representations of this neighborhood's history and future endeavors. As a whole, the project design speaks to the interconnectivity that binds a neighborhood and its constituents. It respects the past, but looks to the future. It is inventive but logical, new yet familiar. It is innovative by nature.

The cost of this transformative project currently budgeted at \$13,774,000 has now increased to an estimated \$13,867,803, approximately (\$123,803) of (0.9%) over budget based upon contracts awarded for the project. To offset the project costs as revenue sources it is currently budgeted for the City to receive \$1,550,000 in State, Federal, and Grant Funding. Administration has been proactive in obtaining additional funding for the project from a variety of sources and has been able to acquire \$1,714,539 to reduce the City's costs, an increase of +\$159,539 in additional revenue over budget. The budgeted net project cost to the City of \$12,189,000 [= \$13,774,000 total budgeted cost less (\$1,550,000) in total budgeted revenue] is anticipated to be slightly reduced to an estimated \$12,153,264 [= \$13,867,803 total estimated costs less (\$1,714,539) in total estimated revenue].

Please see the attached Auburn Road 2019 Cost Summary for a summary of the budgeted and estimated costs associated with the project.

The City issued a Request for Proposal for Phase III of the Auburn Road Corridor Project utilizing the MITN system. The City did not receive any proposal responses that allowed for the successful completion of the project. Being aware, that delaying this project could negatively impact the City as it relates to increased costs due to the market conditions currently being experienced and project delay, City administration worked in coordination with their engineering firm to develop possible strategies to still successfully complete this project as envisioned and intended. City staff met as a team to discuss and vet multiple options from all aspects, and determined that it would be in the City's best interest to enter into negotiations with Angelo lafrate to perform the work. Some of the reasons for determining this as the best approach, included the following: lafrate is already on site performing work and it would reduce costs for mobilization, they have the capacity, skills and knowledge to perform the work, and competitive pricing for many of the work items needed have already been established through the MDOT bid letting process and was utilized as a basis in the development of the cost framework for the project.

The attached proposal from Angelo lafrate Construction Company is the result of our combined partnership effort to present the Phase III project to City Council so that the work and vision that was started earlier this year can be brought to its desired conclusion. The administration worked closely with OHM and lafrate to negotiate all cost aspects of this project. The City's goal throughout these negotiations was to present a fiscally responsible, competitive, fair and cost effective solution. The City being aware that market conditions are not currently on our side, scaled back on the scope of the project to reduce decorative median thread structures, while still remaining true to the overall corridor design to ensure that the intent of the vision is still maintained. It is our recommendation that working with Angelo lafrate, is in the City's best interest to

meet the desired goals of the City as it relates to timeframe and costs. In considering all of these factors, City Council will need to waive Section 2-275(c) of the City's Purchasing Ordinance which requires formal competition for purchases or contracts exceeding \$25,000.00.

The City genuinely feels that the public plaza and the accompanying roadway median features will be another example of Rochester Hills demonstrating why the City continues to be the benchmark community for innovation and success and look forward to implementing this exciting and essential component of the Auburn Road project.

PROCESS:

Vendor Name and Address:

Angelo lafrate Construction Company
26300 Sherwood
Warren, MI 48091

Reason for Selection:

Proposal Solicitation and Award

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Funding is included in the FY 2019 Adopted Budget.

If approved by City Council, Fiscal shall prepare a 3rd Quarter Budget Amendment to transfer an additional \$125,000 from the Capital Improvement Fund to the Facilities Fund, primarily to cover the additional cost of the Restroom & Storage Building.

As well, Fiscal shall also prepare the necessary 3rd Quarter Budget Amendments for the additional revenues received for the project.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities Fund	631.974000	Land Improvements	\$2,260,000.00	\$2,194,907.93	\$65,092.07
Facilities Fund	631.975000	Building	\$100,000.00	\$288,576.75	(\$188,576.75)
		TOTAL	\$2,360,000.00	\$2,483,484.68	(\$123,484.68)

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order/contract for the Auburn Road Phase III Plaza and Gateway Features Project to Angelo lafrate Construction Company in the amount of \$2,365,223.50 with a 5% project contingency in the amount of \$118,261.18 for the total not-to-exceed amount of \$2,483,484.68 and further authorizes the Mayor to execute a contract on behalf of the City.

City Council is requested to waive Section 2-275(c) the formal completion requirement for purchases or contracts estimated to exceed \$25,000.00, under Section 2-281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City to waive the requirement of formal competition.

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