



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2019-0398 Version 3

TO: Mayor and City Council Members

FROM: Scott Cope, Director Building/Ordinance/Facilities

DATE: March 16, 2020

SUBJECT: City Hall Balcony, Masonry Screen Wall and Compound Gate Replacement Project

REQUEST:

City Council is requested to authorize an increase to the contract/blanket purchase order for construction management services for the City Hall Balcony, Masonry Screen Wall and Compound Gate Replacement Project in the amount of \$173,393.69 for a new not-to-exceed amount of \$637,752.69 to The George W. Auch Company, Pontiac, Michigan and authorize the Mayor to execute the contract amendment on behalf of the City.

REASON FOR PURCHASE:

On December 18, 2019, while drilling the final caisson for installation, the vendor struck the secondary electrical feed to the building chiller causing the building main to open, losing power to the building. At the time of the incident, it was felt that the generator feed and control wiring was also cut to the building because the generator did not turn on when the building lost power. Thankfully, no workers were injured as a result of this accident. At the time the incident occurred, an electrical contractor and DTE were contacted and responded immediately to the site. DTE determined that the primary feed to the transformer was intact and in normal operation. Metro Electric did an assessment of damage that was done to City lines and assessed City equipment and went through the building to shut power down where needed and assess repairs needed. In coordination with City staff, Metro Electric was requested to make arrangements to restore power to the building in an effort to open for normal business operations the next day. Since this time, the City has been working with their contractors to explore and determine the best option to correct the damaged lines and have been running on a temporary diesel generator.

When the incident occurred, the contractors who were working on the project were instructed to notify their insurance company of the incident. The City recently received a determination letter from the contractors' insurance company in which the claim was denied. The City has acknowledged that this is the decision that was expected from this incident and has determined there is no further claims or avenues the City can explore to be reimbursed for this incident. This determination was made based on the fact that the lines that were hit were not marked on any plans, or as-builts the City had and therefore could not have been expected to be encountered by the vendor. Additionally, these are private utility lines. They are not public and the contractor met their obligations of having Miss-Dig come out and mark all public utilities in the area. The lines were encountered at 16' deep and it would not have been anticipated or expected that these lines would have been encountered at this depth.

The George W. Auch Company has gathered bids for the work that additional work that needs to be completed. It is expected that there will be approximately \$65,000.00 remaining from the funding that has already been approved for this project, however, the City is requesting the full quoted amount for the

repairs, without considering the expected surplus in the project budget. This is being done due to the unknown conditions we could still encounter during this repair. We are expecting that at the time the project is completed funds will be remaining.

A claim has been submitted to MMRMA regarding the City’s insurance coverage of this incident. Based on our policy, the City is able to submit for expenses that were incurred at the time the line was hit (e.g. generator rental, services to get the City power restored, etc.). If the claim is approved, the revenue received from MMRMA will be recorded in a 2nd Quarter Budget Amendment. MMRMA has indicated that the repairs to the underground wire are not covered by the City’s policy.

PROCESS:

Vendor Name and Address:

The George W. Auch Company
 65 University Drive
 Pontiac, MI 48342

Reason for Selection:

Best Value; Cooperative Contract

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Funding is included in the FY 2020 Adopted Budget.

If approved by City Council, Facilities will re-evaluate the many projects funded by the Repairs & Maintenance Account (631.929000) and move lower priority projects to future years so that no additional funding will be needed from Retained Earnings at this time.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.929000	Repairs & Maintenance	\$0	\$173,393.69	(\$173,393.69)

RECOMMENDATION:

It is recommended that City Council authorize an increase to the contract/blanket purchase order for construction management services for the City Hall Balcony, Masonry Screen Wall and Compound Gate Replacement Project in the amount of \$173,393.69 for a new not-to-exceed amount of \$637,752.69 to The George W. Auch Company, Pontiac, Michigan and authorize the Mayor to execute the contract amendment 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