



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2005-0671

TO: Mayor and City Council Members

FROM: Roger Rousse, Director, Department of Public Service

DATE: October 19, 2005

SUBJECT: Lomond Lane Water Main Extension
City File No. E04-002
Vardon Drive Water Main Extension
City File No. E01-009

REQUEST:

The Department of Public Service recommends accepting the bid and awarding a contract for the Lomond Lane and Vardon Drive Water Main Extension to Giannetti Contracting Corporation of Sterling Heights, Michigan as the lowest responsive, responsible bidder in the amount of \$231,619.50 and authorize the Mayor and Clerk to execute a contract on behalf of the City.

REASON FOR PURCHASE:

On October 4, 2005 the City received five (5) sealed bids for the Lomond Lane and Vardon Drive Water Main Extension. Of the five bids received, Giannetti Contracting Corporation was the lowest responsive, responsible bidder. The bid received from Giannetti Contracting Corporation is 26% below the engineering cost estimate, which is shown on the attached bid tabulation. Construction is expected to commence in November 2005 with final completion no later than 90 days after issuance of the Notice to Proceed.

The scope of work for this project includes installation of water main between Lomond Lane and Grosse Pines Drive and along Vardon Drive. The Lomond Lane water main project was previously included in the adopted 2004 budget and was intended to be constructed in 2004 as a stand-alone project. The project was not built in 2004 because it was subsequently suggested in late 2004 that it be combined and bid with the Vardon Road water main extension project. Directional drilling is proposed for both project's water main installation and the combined projects are expected to result in overall cost savings than two smaller projects proposed with directional drilling. The Vardon Road water main extension is included in the 2005 budget but the Lomond Lane project will require a budget amendment since it was not constructed in 2004 nor included in the 2005 budget.

PROCESS:

Vendor Name and Address:
Giannetti Contracting Corporation
6340 Simms Drive
Sterling Heights, MI 48313

Reason for Selection:

Lowest responsive, responsible bidder

Method of Purchase:

Blanket order

Contract

BUDGET:

Costs associated with the Lomond Lane water main extension were identified in the 2004 Capital Improvement Plan (CIP) and approved in the 2004 budget as WS-28.

Costs associated with the Vardon Drive water main extension were identified in the 2005 CIP and approved in the 2005 budget as WS-24.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Water	530	Equipment Mains & Services (WS-28)	\$0	\$104,239.00	(\$104,239.00)
Water	530	Equipment Mains & Services (WS-24)	\$150,000.00	\$127,380.50	\$22,619.50

The Department of Public Service staff will provide all the construction engineering services for this project including inspection, complaint resolution and contract administration. An engineering consulting company will be used for material testing.

RECOMMENDATION:

The Department of Public Service recommends that City Council award the contract for the Lomond Lane and Vardon Drive Water Main Extension to Giannetti Contracting Corporation of Sterling Heights, Michigan as the lowest responsive, responsible bidder in the amount of \$231,619.50 and authorize the Mayor and Clerk to execute a contract on behalf of the City.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		