



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
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[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2024-0153

**TO:** Mayor and City Council Members  
**FROM:** Bill Fritz, P.E., Director Department of Public Services  
**DATE:** March 18, 2024  
**SUBJECT:** 2024 Asphalt Road Rehabilitation Program, City File #E24-002

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**REQUEST:**

City Council is requested to authorize a blanket purchase order/contract for the 2024 Local Street Asphalt Road Program, 2024 Pathway Rehabilitation Program, and MR-63 Marketplace Circle Rehabilitation Project to Ajax Paving Industries, Troy, Michigan in the amount of \$2,764,238.21 with a 10% project contingency in the amount of \$276,423.82 for a total not-to-exceed project amount of \$3,040,662.03 and further authorize the Mayor to execute an agreement on behalf of the City.

**REASON FOR PURCHASE:**

The City issued bids utilizing the MITN system with 5 bid responses received. Of the bids received, Ajax Paving Industries was nearly fifty four percent (54%) lower than the engineers estimate and is the lowest, responsive, responsible bidder. Award of this project is being recommended to them. The City has utilized Ajax Paving Industries on past projects and have been satisfied with the services received and recommends approval of award of the contract to them for this project. The project scope of work includes the following:

- Part A: Brooklands Subdivision North
- Part B: MR-63: Marketplace Circle Rehabilitation
- Part C: Adams Pathway between Tienken and Dutton (West side)

**PROCESS:**

**Vendor Name and Address:**

Ajax Paving Industries  
11797 29 Mile Road  
Washington, MI 48095

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Blanket Purchase Order/Contract

**BUDGET:**

Funding is included in the FY 2024 Adopted Budget.

Note: There are no Major Road street segments included in the Part A work in the Brookland North subdivision, and there is no Traffic Calming anticipated in FY 2024. It is proposed to redirect budgeted funding for these two (2) projects towards the FY 2024 Pathway Rehabilitation Program (Major Road portion).

The remaining Local Street Fund / LS-01 Local Street Rehabilitation Program budget will be utilized for the FY 2024 Local Street Concrete Program.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Street Fund	454.970000	LS-01: Local Street Rehabilitation	\$5,500,000.00	\$2,401,899.50	\$3,098,100.50
Major Road Fund	452.970000	MR-01A: Major Road Rehabilitation	\$550,000.00	\$0.00	\$550,000.00
Major Road Fund	452.970000	MR-12: Major Road Traffic Calming Program	\$25,000.00	\$0.00	\$25,000.00
Major Road Fund	452.970000	MR-63: Marketplace Circle Rehabilitation	\$949,750.00	\$353,824.03	\$595,925.97
Major Road Fund	452.970000	PW-01: Pathway Rehabilitation Program	\$75,000.00	\$84,938.50	(\$9,938.50)
Pathway Construction Fund	403.974000	PW-01: Pathway Rehabilitation Program	\$200,000.00	\$200,000.00	\$0.00
<b>Grand Total</b>			<b>\$7,299,750.00</b>	<b>\$3,040,662.03</b>	<b>\$4,259,087.97</b>

**RECOMMENDATION:**

It is recommended that City Council authorize a blanket purchase order/contract for the 2024 Local Street Asphalt Road Program, 2024 Pathway Rehabilitation Program, and MR-63 Marketplace Circle Rehabilitation Project to Ajax Paving Industries, Troy, Michigan in the amount of \$2,764,238.21 with a 10% project contingency in the amount of \$276,423.82 for a total not-to-exceed project amount of \$3,040,662.03 and further authorize the Mayor to execute an agreement on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney  Yes  N/A