



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2023-0142 Version 2

**TO:** Mayor and City Council Members

**FROM:** Bill Fritz, P.E., Director Department of Public Services

**DATE:** August 14, 2023

**SUBJECT:** Increase to Contract for the 2023 Concrete Road and Sidewalk Replacement Program,  
City File # 23-001

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**REQUEST:**

City Council is requested to increase existing contract/blanket purchase order for the 2023 Concrete Road and Sidewalk Replacement Program in the amount of \$450,000 for a new total not-to-exceed contract amount of \$2,751,414.90 and the initial 5% project contingency of \$115,070.95 for a revised total not-to-exceed project amount of \$2,866,485.85.

**REASON FOR PURCHASE:**

The City 2023 Asphalt Local Road Repair Program is nearly complete and the annual program is expected to be approximately \$450,000 below budget. The estimate is construction cost exclusive of the additional contingency budget that was approved by the City Council. Thus, this year's asphalt program was able to be completed without the need for any contingency funding and will also be completed approximately \$450,000 below the bid amount submitted by Pro-Line Asphalt.

The Department of Public Services would like to utilize this 2023 Local Road Asphalt Program budget surplus amount by transferring that amount to allow for more concrete replacement work to be done with our 2023 Local Road Concrete Program this year.

The streets targeted for work with this additional funding include Essex Drive in Section 23 and Twin Oaks Court in Section 27.

**PROCESS:**

**Vendor Name and Address:**

Koala-T Construction Corporation  
13448 Chateau Cove  
Holly, MI 48442

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Blanket Purchase Order/Contract

**BUDGET:**

Local Road funding will remain in the fund.

The request is to transfer unspent funding from the 2023 Local Road Asphalt Repair Program (Blanket Purchase Order 405380) to the 2023 Local Road Concrete Repair Program (Blanket Purchase Order 405392).

The Department of Public Services has communicated the potential for this additional concrete work with Spalding DeDecker (Construction Engineering firm assigned to the 2023 Local Road Concrete Repair Program). Spalding DeDecker feels that they can oversee the additional \$450,000 of concrete work within their previously authorized blanket amount.

Fund Name	Department Account No	Account No. Description	Remaining Budget Amount	Cost	Remaining Budget
Local Street Fund	454.970000	LS-01: Local Street Rehabilitation	\$450,000	\$450,000	\$0

**RECOMMENDATION:**

It is recommended that City Council authorize an increase to the existing contract/blanket purchase order for the 2023 Concrete Road and Sidewalk Replacement Program in the amount of \$450,000 for a new total not-to-exceed contract amount of \$2,751,414.90 and the initial 5% project contingency of \$115,070.95 for a revised total not-to-exceed project amount of \$2,866,485.85.

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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