



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: 2024-0415

**TO:** Mayor and City Council Members  
**FROM:** Mike Viazanko, Director Building/Facilities/Ordinance  
**DATE:** September 9, 2024  
**SUBJECT:** City Hall Chiller Replacement Project

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**REQUEST:**

City Council is requested to authorize a contract/blanket purchase order for the City Hall Chiller Replacement Project in the amount of \$944,685.00 with a 10% project contingency in the amount of \$94,468.50 for a total not-to-exceed project amount of \$1,039,153.50 to K&S Ventures, Inc., Rochester Hills, Michigan and further authorizes the Mayor to execute an agreement on behalf of the City.

**REASON FOR PURCHASE:**

The City Hall Chiller is at the end of its useful life, and has started experiencing failures. The Chiller is the piece of equipment that removes heat from the building and recirculates it to cool air in order to cool the building. During the summer, we saw many “downtimes” of this equipment, which caused the temperature to rise in City Hall, and created an uncomfortable environment for everyone in the building. The equipment is at a point to where if it does go down, our Facilities team is not sure that it can continue to be fixed, and we have been informed it is at the point where it is urgent for us to move this project forward to have the equipment replaced.

The City of Rochester Hills issued bids utilizing the MITN system, with one (1) responsive, responsible bid received. The City’s Purchasing Division sent notification to over 500 vendors through the MITN system providing notification of the opportunity for the City Hall Chiller Replacement Project. As part of the solicitation process, a mandatory pre-bid meeting was held in order for vendors to view the site, understand fully the access they would have with cranes for delivery of equipment, and to be informed of specific requirements concerning the project from the City’s engineering/architectural consultant. Five (5) firms were in attendance at the meeting.

After the closing of the bid, and finding that the City only received one (1) responsive, responsible bid (the other bid received failed to provide pricing as requested and did not fill out the City’s required forms), the Purchasing Division reached out to the vendor’s that attended the meeting but did not submit to find out the reasons as to why they did not provide a response. Two (2) of the vendor’s indicated that they ended up having too much work, and determined they would not, from a labor standpoint, be able to handle our job, one (1) vendor indicated that they had so many other bids to respond to that they just could not find the time to do ours as well and missed the deadline, the other vendor was non-responsive with the bid they submitted, and then the remaining bidder was K&S Ventures, Inc., who submitted the lowest, responsive, responsible bid.

In review of the bid price submitted, the City’s purchasing division has determined that the pricing received was below the City’s engineering consultants estimate, and it was also lower than the one bid that was

deemed non-responsive after the opening. K&S Ventures, Inc., has done business with the City for many years, and has always been a good partner to the City, along with providing satisfactory work. It is based on all the factors above, that the City is recommending award of the contract to K&S Ventures, Inc., as the lowest, responsive, responsible bidder.

**PROCESS:**

**Vendor Name and Address:**

K&S Ventures, Inc.  
2925 Waterview Dr  
Rochester Hills, MI 48309

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Contract/Blanket Purchase Order

**BUDGET:**

Funding is included in the FY 2024 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.976000	FA-07C: Citywide HVAC Replacement	\$1,100,000.00	\$1,039,153.50	\$60,846.50

**RECOMMENDATION:**

It recommended that City Council authorize a contract/blanket purchase order for the City Hall Chiller Replacement Project in the amount of \$944,685.00 with a 10% project contingency in the amount of \$94,468.50 for a total not-to-exceed project amount of \$1,039,153.50 to K&S Ventures, Inc., Rochester Hills, Michigan and further authorizes 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