



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

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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www.rochesterhills.org**

Legislative File No: 2009-0419

TO: Mayor and City Council Members
FROM: Roger Rousse, Director, Department of Public Services
DATE: October 6, 2009
SUBJECT: Feasibility Study, Water Reservoirs

REQUEST:

The Department of Public Services recommends awarding a contract to Tetra Tech, Inc. of Detroit, Michigan to complete a Water Reservoir Feasibility Study (Phase I) in the amount not-to-exceed \$49,950.00 and authorize the Mayor to execute a contract on behalf of the City.

REASON FOR PURCHASE:

On July 8, 2009, the City received twelve proposals from consultants to perform a water reservoir feasibility study (phase I) and final design, including bidding and construction engineering (Phase II). Phase II will commence only with authorization from the City once the study has been completed.

The purpose of the study is to review the concept of the City buying water during off-peak periods, at reduced rates, and then releasing the water into the City's system during peak periods thus reducing the cost of purchased water, from DWSD, during peak periods. There may be an opportunity to save on our purchased water costs from DWSD and thus put the City in a position to pass those savings onto the City's water customers.

The feasibility study is needed to address all the issues related to this concept such as conservative estimates of: cost savings on water purchased from DWSD, cost to construct the structure including any land purchases that may be needed, any system improvements/upgrades needed to support water retention/storage, annual maintenance costs related to the storage structure, a time line that includes design, land purchase (if needed), construction and structure availability and any other items that may be needed to make a sound decision related to the use of a water retention/storage structure.

A committee was established (staff and a Water & Sewer Technical Review Committee member) to review the proposals and conduct interviews with selected consultants. The field was narrowed to four consultants and interviews were held. The review committee then narrowed the field down to two consultants. Keep in mind that if the City moves forward with phase II, the intent is to have the same consultants complete those tasks as well. The cost portion of the proposals varied significantly as each consultant made different assumptions, particularly on Phase II. There is several hundred thousand dollar difference between the two proposals. The committee met with Tetra Tech for a second time and recommends awarding them a contract to complete the feasibility study.

PROCESS:

Vendor Name and Address:

Tetra Tech, Inc.
65 Cadillac Square, Suite 3400
Detroit, MI 48226

Reason for Selection:

Quality Based Selection

Method of Purchase:

Blanket, Purchase Order, Contract

BUDGET:

Per the June 22, 2009 City Council meeting the City was authorized to move forward with selecting a consultant to perform a Water Reservoir Feasibility Study with a contract not to exceed \$50,000.00. A second quarter budget amendment was completed to include these funds.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
W&S Capital	593.972000	Mains & Services	\$50,000.00	\$49,950.00	(\$50.00)

RECOMMENDATION:

The Department of Public Services recommends awarding a contract to Tetra Tech, Inc. of Detroit, Michigan to complete a Water Reservoir Feasibility Study (Phase I) in the amount not-to-exceed \$49,950.00 and authorize the Mayor to execute a contract on behalf of the City.

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