



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2024-0239

TO: Mayor and City Council Members
FROM: Bill Fritz, P.E., Director of Public Services
DATE: May 6, 2024
SUBJECT: Third Party Tank Inspections and Repair Services

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order for Third Party Tank Inspections and Repair Services in the amount of \$50,000.00 for a new not-to-exceed amount of \$72,000.00 through March 31, 2025 to Oscar W Larson Company, Clarkston, MI.

REASON FOR PURCHASE:

The City's Purchasing Division issued a Solicitation for Quotes for Third Party Tank Inspections and Repair Services utilizing the MITN system. Oscar W Larson Company was awarded the contract as the low responsive responsible quote. The award was under the threshold for City Council approval and a blanket purchase order was issued in 2023 for an amount not to exceed \$22,000.

However, during the term, DPS Fleet discovered with recent repairs the tanks require more work than initially anticipated and the department needs to ensure sufficient funds are available in order to fix the current tank issues, plus allow enough funding to get through the remaining term of the blanket should any additional repairs be needed. Increased utilization of the vendor's services has resulted in additional funding needed to be added to the blanket in order to pay the charges when they are billed and will require City Council approval to increase the blanket.

PROCESS:

Vendor Name and Address:

Oscar W Larson Company
10100 Dixie Highway
Clarkston, MI 48348

Reason for Selection:

Lowest Responsive Responsible Quote

Method of Purchase:

Blanket Purchase Order

BUDGET:

Partial funding is included in the FY 2024 Adopted Budget.

If approved by City Council, a 2nd quarter budget amendment will be presented to provide necessary funding from Retained Earnings.

Fund Name	Department Account No	Account No. Description	2-Year Budget Amount	2-Year Cost	Remaining Budget
Fleet	661.801000	Professional Services	\$7,000	\$23,040	(\$16,040)
Fleet	661.932000	Maintenance: Equipment	\$15,000	\$48,960	(\$33,960)
		Total	\$22,000	\$72,000	(\$50,000)

RECOMMENDATION:

It is recommended that City Council authorize an increase to the blanket purchase order for Third Party Tank Inspections and Repair Services in the amount of \$50,000.00 for a new not-to-exceed amount of \$72,000.00 through March 31, 2025 to Oscar W Larson Company, Clarkston, MI.

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