



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

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**Legislative File No: 2005-0317**

**TO:** Mayor and City Council Members  
**FROM:** Roger Rousse, Director of Public Service  
**DATE:** May 18, 2005  
**SUBJECT:** 2005 Tri-Party Agreement, City File No. E05-001

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**REQUEST:**

To gain City Council approval of the 2005 Tri-Party Agreement between the Oakland County Board of Commissioners (BOARD), the Road Commission for Oakland County (RCOC) and the City of Rochester Hills for Eastbound and Westbound Avon Road construction improvements and authorize the Mayor and Clerk to execute the agreement on behalf of the City.

**REASON FOR PURCHASE:**

On February 2, 2005, City Council approved participating in the 2005 Tri-Party Program for construction of Eastbound Avon Road improvements (Livernois to Viewland Dr.) and Westbound Avon Road improvements (Rochester Rd. to Rainier).

At that time, the City had planned to administer the Eastbound Avon Road improvements and RCOC had planned to administer the Westbound Avon Road improvements and had budgeted accordingly. When the City administers a project, the City pays for all costs associated with construction of the project and requests 1/3<sup>rd</sup> reimbursement from the BOARD and 1/3<sup>rd</sup> reimbursement from RCOC. When RCOC administers a project, RCOC pays for all costs associated with construction of the project and bills the City for our 1/3<sup>rd</sup> share.

Since that time, RCOC has requested that the City administer both projects. The City will be responsible to fund the design, construction, and inspection of both projects up front and invoice for reimbursement.

Upon execution of the Tri-Party Agreement, RCOC will be invoiced for 50% of the BOARD and RCOC's share of the estimated project cost. When both projects are complete, the City will submit an invoice for the balance of the BOARD's and RCOC's share.

**BUDGET:**

Both projects were approved in the 2005 Capital Improvement Plan (MR-49A & MR49B) and incorporated into the 2005 annual budget. However, with the change in plan to have the City administer the Westbound Avon Road improvements, all costs associated with construction of the project will have to be paid up front by the City. The Tri-Party Agreement is based on estimated construction costs. The actual project costs will be determined when a contract is awarded for construction of the projects. A budget amendment for the

Westbound Avon Road improvements and the offsetting revenue account (202.677002) will be brought forth at that time.

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Estimated Costs</b>	<b>Remaining Budget</b>
Major Roads	452.970000	MR-49A Eastbound	\$155,000	\$155,000	\$0
Major Roads	452.970000	MR-49B Westbound	\$58,300	\$157,000	(\$98,700)

**RECOMMENDATION:**

The Department of Public Service recommends that the Rochester Hills City Council approve the 2005 Tri-Party Agreement for the construction improvements of Eastbound and Westbound Avon Road and authorize the Mayor and Clerk to execute the agreement on behalf of the City.

**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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