



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: 2015-0211

TO: Mayor and City Council Members

FROM: Allan E. Schneck, P. E., Director of Public Services

DATE: May 18, 2015

SUBJECT: Hamlin Road Construction Project, (Hamlin Ct. to Dequindre Road)
City File No. E12-028, MDOT Contract No. 15-5146, Job No. 126567A

REQUEST:

It is requested that City Council authorize a Contract/Blanket Purchase Order between the Michigan Department of Transportation (MDOT) and the City of Rochester Hills for the Hamlin Road Construction Project (Hamlin Ct. to Dequindre Rd.) in the amount of \$2,866,050.00, and authorizes the Mayor and City Clerk to execute the agreement on behalf of the City.

REASON FOR PURCHASE:

Rochester Hills submitted a federal road funding request in 2011 for the repaving of Hamlin Road between Hamlin Court and Dequindre and was subsequently approved for construction phase funding for 2015. The funding category was under the Surface Transportation Program 3R category (Restoration, Resurfacing, Rehabilitation) and this program only funds 50% of requested construction costs for contractor payments. The approved amount of federal assistance back in 2011 totaled \$1,769,000.00. This amount, plus a 25% maximum allowable contingency, equals the total available grant funding of \$2,211,250.00 that is referenced in the attached agreement from the Michigan Department of Transportation (MDOT).

The funding agreement is dated April 15, 2015 and was prepared based on an estimated project total construction cost of \$5,077,300.00. Although the capped amount of \$2,211,250.00 will not change, the expense that Rochester Hills will owe is subject to change based on the actual bid amount.

City Council is being asked to approve this funding agreement in order to commence the construction phase as soon as possible to keep the project on schedule. However, since the low bid opened at the May 1 bid letting was higher than the original cost estimate, a revised funding agreement will likely need to be brought forward for City Council consideration.

PROCESS:

Vendor Name and Address:

Michigan Department of Transportation
Local Agency Programs Unit
425 W. Ottawa Street
Lansing, MI 48909

Reason for Selection:

FHWA, Surface Transportation Program

BUDGET:

Funding is included in the 2015 Adopted Budget as MR-02B, MR-55, PW-02B, LS-10, and WS-02B. At this time, it is anticipated to cover the project overage for project MR-02B, with project surpluses in projects PW-02B & MR-55 (are projects funded through the Major Road Fund).

As project costs change with a revised funding agreement, a revised project financing plan will be presented.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Roads	452.970000	Construction - MR-02B (Hamlin Road)	\$1,810,290	\$1,994,770	\$(184,480)
Major Roads	452.970000	Construction - MR-55 (Regency Drive)	\$193,050	\$114,640	\$78,410
Major Roads	452.970000	Construction - PW-02B (Hamlin Pathway)	\$355,820	\$183,430	\$172,390
Local Streets	454.970000	Construction - LS-10 (Crestline Street)	\$179,010	\$85,980	\$93,030
Water & Sewer Capital	593.972000	Water Mains; WS-02B (Hamlin Water Main)	\$792,200	\$487,230	\$304,970
		Grand Total	\$3,330,370	\$2,866,050	\$464,320

RECOMMENDATION:

It is recommended that Rochester Hills City Council authorize a Contract/Blanket Purchase Order between the Michigan Department of Transportation (MDOT) and the City of Rochester Hills for the Hamlin Road Construction Project (Hamlin Ct. to Dequindre Rd.) in the amount of \$2,866,050.00, and authorizes the Mayor and City Clerk to execute the agreement 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		