



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: 2024-0179

**TO:** Mayor and City Council Members  
**FROM:** Bill Fritz, P.E., Director of Public Services  
**DATE:** April 8, 2024  
**SUBJECT:** Avon Industrial Drive Paving Project  
Capital Improvement Project MR-17; City File No. E23-005

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**REQUEST:**

City Council is requested to authorize a blanket purchase order/contract for the Avon Industrial Drive Paving Project to Florence Cement Company, 51515 Corridor, Shelby Township, Michigan in the amount of \$1,726,045.87 with a 10% project contingency in the amount of \$172,604.59 for a total not-to-exceed project amount of \$1,898,650.46 and further authorize the Mayor to execute an agreement on behalf of the City.

**REASON FOR PURCHASE:**

Avon Industrial Drive is included in the 2024-2029 Capital Improvement Plan and is identified as major road project number MR-17. The preliminary engineering design and the project bid for Avon Industrial Drive also included Star Court because of its immediate proximity to Avon Industrial. Star Court is a City local street and shown on the attached file, Avon Industrial Drive Location.pdf.

The City issued bids utilizing the MITN system and nine (9) bids were received. Of the bids received, Florence Cement Company is the lowest, responsive, responsible bidder and award of this project is recommended to them. The City has worked with Florence Cement Company on past projects and has been satisfied with their services received and recommends approval of the award of the contract to them for this project.

**PROCESS:**

**Vendor Name and Address:**

Florence Cement Company  
51515 Corridor  
Shelby Township, MI 48315

**Reason for Selection:**

Lowest, responsive, responsible bidder

**Method of Purchase:**

Blanket Purchase Order/Contract

**BUDGET:**

Funding is included in the FY 2024 Adopted Budget for the construction of major road, Avon Industrial Drive, and local street, Star Court. The preliminary engineering design determined a percentage split of cost sharing between Star Ct. and Avon Industrial Drive to be 12.5% and 87.5% respectively. The same percentage split is proposed for the contractor award expense.

If approved by City Council, a 2<sup>nd</sup> quarter budget amendment will be presented for the Local Street expense, offset by LS-20 Leach Road Paving that came in under budget.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Major Road	452.970000	MR-17 Construction	\$2,231,500.00	\$1,661,319.15	\$570,180.85
Local Streets	454.970000	LS-01 Construction	\$200,000.00	\$237,331.31	(\$37,331.31)
		<b>TOTALS</b>	<b>\$2,431,500.00</b>	<b>\$1,898,650.46</b>	

**RECOMMENDATION:**

It is recommended that City Council authorize a blanket purchase order/contract for the Avon Industrial Drive Paving Project to Florence Cement Company in the amount of \$1,726,045.87 with a 10% project contingency in the amount of \$172,604.59 for a total not-to-exceed project amount of \$1,898,650.46 and further authorize the Mayor to execute an agreement on behalf of the City.

Attachment(s): Avon Industrial Drive Location.pdf  
24-018 Bid Tabulation.pdf

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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