



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2023-0357

TO: Mayor and City Council Members

FROM: Bill Fritz, P.E., Director, Department of Public Services

DATE: July 24, 2023

SUBJECT: Drexelgate Road Diet and Pathway Installation Project - City File Number E22-003
Capital Improvement Project Numbers MR-61 and PW-11

REQUEST:

City Council is requested to approve the attached resolution and authorize the Mayor to sign the contract (local agreement) with the Michigan Department of Transportation (MDOT) for the Drexelgate Road Diet and Pathway Installation project.

REASON FOR PURCHASE:

This project includes the reconfiguration of Drexelgate Parkway from Livernois Road to Rochester Road and the construction of a new adjacent pathway north of the road. Rochester Hills applied for grant funding assistance through the Transportation Alternatives Program (TAP) and was subsequently awarded a grant in the amount of \$338,454. The City also received an additional grant award of \$290,103 through the MDOT Flex Fund for a total of \$628,557 in available support of the proposed pathway along Drexelgate. The City has also allocated \$1.8M of American Rescue Plan Act (ARPA) funding towards the remaining balance of the total project estimated at \$2.4M.

Since the Drexelgate project will utilize federal TAP and Flex Fund funding, the MDOT reviews, approves, bids, awards and administers the project for the community. Thus, MDOT has prepared the attached Local Agency Funding Agreement (MDOT Contract 214202_23-5250.pdf) for the Drexelgate road diet and pathway construction project that incorporates both of the grants.

The MDOT received four (4) bids on July 7, 2023 and the as-read bid was \$1,535,234.13 per the attached file, As-Checked Bid Letting Results.pdf. This low-bid amount was 18.74% below the engineer's estimate for the project. City Council is being asked to approve the attached resolution (MDOT Resolution Form.docx) in order to keep the project on schedule and proceed to the construction phase after the project award by MDOT. Rochester Hills will be invoiced by MDOT for amounts owed as the project construction progresses. A review of the bid amounts has determined the respective estimated costs to be charged to Rochester Hills below in the Budget Section.

PROCESS:

Vendor Name and Address:

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

Reason for Selection:

Transportation Alternatives Program (TAP) Grant

Method of Purchase:

Contract

BUDGET:

Funding is included in the FY 2023 Adopted Budget.

As the low-bid amount came in under the engineer's estimate, the MDOT Flex Funds and the SEMCOG TAP Funds grants (which are based upon a proportion of the total project cost) are anticipated to come in less than the revenue budgeted.

The remaining +\$544,962.26 in ARPA Funds left over from the Drexelgate Road and Pathway Construction phase will be redirected towards the Drexelgate Water Main Replacement project.

Fiscal will present the adjusting entries as part of the 2023 3rd Quarter Budget Amendment.

Fund Name	Department Account No	Account No. Description	Revenue Budget Amount	Revenue	Remaining Budget
Major Road Revenue	202.547004	MDOT Flex Funds for Drexelgate Pathway	+\$290,100.00	+\$260,464.14	(\$29,635.86)
Major Road Revenue	202.547004	SEMCOG TAP Funds for Drexelgate Pathway	+\$338,450.00	+\$305,762.25	(\$32,687.75)
Major Road Revenue	202.699285	Transfer-In: ARPA	+\$1,513,700.00	+\$969,007.74	(\$544,692.26)
		Revenue Total	+\$2,142,250.00	+\$1,535,234.13	(\$607,015.87)

Fund Name	Department Account No	Account No. Description	Expenditure Budget Amount	Cost	Remaining Budget
Major Road Construction	452.970000	MR-61: Drexelgate Parkway Rehabilitation	\$1,012,500.00	\$664,116.61	\$348,383.39
Major Road Construction	452.970000	PW-11: Drexelgate Pathway	\$1,129,750.00	\$871,117.52	\$258,632.48
		Total	\$2,142,250.00	\$1,535,234.13	\$607,015.87

RECOMMENDATION:

The Department of Public Services recommends that City Council authorize the Mayor to execute the Drexelgate Road Diet and Pathway construction contract with MDOT on behalf of the City.

Attachment(s): MDOT Resolution Form.docx
 MDOT Contract 214202_23-5250.pdf
 As-Checked Bid Letting Results.pdf

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