



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2025-0183 Version 2

TO: Mayor and City Council Members
FROM: Bill Fritz, P.E., Director Department of Public Services
DATE: July 7, 2025
SUBJECT: Increase to 2025 Concrete Road Replacement Program
City File No. E25-001

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order/contract for the 2025 Concrete Road Replacement Program for the added scope to include approximately 440 feet of additional concrete paving on Pheasant Ring Drive in the amount of \$151,174.13 for a revised total not-to-exceed project amount of \$3,284,511.48 to Koala-T Construction, Inc., Holly, MI and further authorizes the Procurement Manager to execute a contract amendment on behalf of the City.

REASON FOR PURCHASE:

At their April 28, 2025 meeting, City Council authorized the award for the City's 2025 Concrete Road Replacement Program, to Koala-T Construction, Inc., as the lowest, responsive, responsible bidder. The City is requesting Council's approval to increase the project scope to include approximately 440 feet of additional concrete paving on Pheasant Ring Drive.

After being onsite, performing initial work, and receiving inquiries regarding the condition of the remaining section on Pheasant Ring Drive, the City evaluated the additional 440-foot segment. This reevaluation, coupled with the contractor already being mobilized in the area, revealed benefits to adding this stretch of concrete paving to the current project. By completing this work now, and adding this additional footage into this contract, it avoids future expenses related to separate contractor mobilization for just this specific area, as well as potential increased material and labor costs if the City waited and replaced this 440-foot concrete segment as a standalone project in 4-5 years. Based on timing, it works out well, as the contractor has agreed this work can be added to the existing contract. It is for these reasons the City is recommending approval for the addition of this work to the current agreement.

PROCESS:

Vendor Name and Address:

Koala_T Construction, Inc.
13448 Chateau Cove
Holly, MI 48442

Reason for Selection:

Lowest, responsive, responsible bidder

Method of Purchase:

Increase to Contract/Blanket Purchase Order

BUDGET:

Funding is included in the FY 2025 Adopted Budget, remaining from the FY 2025 Asphalt Road Replacement Program.

A 2nd Quarter Budget Amendment (*) shall be prepared to reclassify a portion of the Remaining Budget from the Local Street Rehabilitation Construction project budget to the Local Street Sidewalk Rehabilitation project.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Local Street Fund	454.970000	Construction: LS-01 / Local Street Rehab.	\$3,317,676.50 *	\$2,638,721.83	\$678,954.67
Major Road Fund	452.970000	Construction: MR-64 / Eddington Rehab.	\$900,000.00	\$589,799.65	\$310,200.35
Local Street Fund	464.807000	Contractual Services: Sidewalk Rehab	\$55,990.00 *	\$55,990.00	\$0
		GRAND TOTAL	\$4,273,666.50	\$3,284,511.48	\$989,155.02

RECOMMENDATION:

It is recommended that City Council authorize an increase to the blanket purchase order/contract for the 2025 Concrete Road Replacement Program for the added scope to include approximately 440 feet of additional concrete paving on Pheasant Ring Drive in the amount of \$151,174.13 for a revised total not-to-exceed project amount of \$3,284,511.48 to Koala-T Construction, Inc., Holly, MI and further authorizes the Procurement Manager to execute a contract amendment on behalf of the City.

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