



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2013-0119

TO: Mayor and City Council Members
FROM: Allan E. Schneck, P.E., DPS Director
DATE: April 22, 2013
SUBJECT: DPS Salt Storage Facility - City File No. E10-021

REQUEST:

The Department of Public Services (DPS) recommends awarding the contract for the *DPS Salt Storage Facility* to MJC Construction Management in the amount of \$750,150.00 and authorizes the Mayor and Clerk to execute a contract on behalf of the City.

The Department of Public Services also requests City Council authorization of a 10% contingency in the amount of \$75,015.00 to allow for quantity adjustments based on final measurements verified in the field.

REASON FOR PURCHASE:

Rochester Hills received **eighteen (18)** sealed bids for the DPS Salt Storage Facility project (bid summary attached) on March 15, 2013. Of the bids received, MJC Construction Management was the lowest, responsive, responsible bidder. The MJC bid is approximately 18% below the engineer construction cost estimate of \$880,000. The construction amount includes the base bid plus an additional \$2,300.00 to clean, prime and paint the metal panels on the upper portion of the cold storage building. Work is expected to begin in May 2013 with a completion date scheduled for mid-September, 2013.

The construction of an enclosed salt storage building and the repurposing of the older vacated DPS building has been discussed and planned for many years. Proceeding with the project will accomplish multiple objectives including: partial demolition of the older existing DPS building, rehabilitating the remaining northerly portion of the older DPS building for cold storage use, improving the efficiency of the winter maintenance operations, expanding the amount of on-site salt storage capacity, addressing the previous environmental concerns from the Michigan Department of Environmental Quality regarding exposed outdoor salt material piles, and taking advantage of an extremely competitive bidding process.

PROCESS:

Vendor Name and Address:

MJC Construction Management
46600 Romeo Plank Rd.
Macomb, MI 48044

Reason for Selection:

Lowest, Responsive, Responsible Bidder

Method of Purchase:

Blanket Order Contract

BUDGET:

The salt storage facility project (FA-04C) was originally adopted in the 2010 City budget for \$440,000 and has since been carried over to the 2013 budget. There has been \$64,000 already committed for preliminary and final design leaving an available project budget amount of \$376,000 (\$440,000 - \$64,000).

It should be noted that the salt storage project recently bid and proposed for award actually is the combination of two Capital Improvement Plan projects. In addition to FA-04C, the recently bid project covers DPS Facility project FA-04B, Old DPS Garage Conversion to Cold Storage. The Cold Storage project in the current CIP is listed with a budget of \$288,000 and was planned for rehabilitation work to occur in 2015. Once the site of the new salt storage building was confirmed to be built at the southerly end of the old DPS building, it made sense that the separate projects should be combined and built concurrently. Thus, the cold storage project budget was included in the 2013 first quarter budget amendment.

If approved by City Council, Fiscal shall bring forth a future budget amendment to cover the project budget shortfall.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Water & Sewer Capital Fund	593.975000	Building; FA-04C	\$376,000.00	\$537,165.00	(\$161,165.00)
Water & Sewer Capital Fund	593.975000	Building; FA-04B	\$288,000.00	\$288,000.00	\$0.00

RECOMMENDATION:

It is recommended that City Council award the contract for the *DPS Salt Storage Facility* to MJC Construction Management in the amount of \$750,150.00 and authorizes the Mayor and Clerk to execute a contract on behalf of the City.

The Department of Public Services also requests City Council authorization of a 10% contingency in the amount of \$75,015.00 to allow for quantity adjustments based on final measurements verified in the field.

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

Attachment(s): Project Bid Summary.pdf
 Planning Commission Presentation, March 6 2012