



**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: 2011-0129**

**TO:** Mayor and City Council Members

**FROM:** Paul M. Davis, P.E., Department of Public Services, 248.656.4640

**DATE:** March 21, 2011

**SUBJECT:** Hamlin Road Widening Construction Engineering Costs  
City File No. E92-023 CIP Project MR-02A

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**REQUEST:**

City Council is requested to approve the first amendment for construction engineering services for Orchard, Hiltz & McCliment, Inc. (OHM) on the Hamlin Road widening Crooks to Livernois project. The requested amount of the increase is \$74,995.18 for a new total not-to-exceed figure of \$1,083,287.35.

**REASON FOR PURCHASE:**

The initial Construction Engineering (CE) contract approval by City Council for OHM was passed at the April 20, 2009 meeting in the amount of \$999,781.17. On July 13, 2009 the blanket purchase order was increased by \$8,511.00 for a new not-to-exceed cost of 1,008,292.17 to incorporate a pedestrian splitter island redesign. The attached letter dated February 21, 2011 from Mr. Loch does not include the 7/13/09 budget increase. However, Mr. Loch's letter does provide the detail on the additional services that were needed and provided during the project. The amendment amount request is expected to be sufficient for OHM to complete the remaining CE work for the Hamlin Road Crooks to Livernois project.

**PROCESS:**

**Vendor Name and Address:**

Orchard, Hiltz & McCliment, Inc.  
3400 Plymouth Road  
Livonia, Michigan 48150

**Reason for Selection:**

Quality Based Selection Process

**Method of Purchase:**

Contract  
Blanket Purchase Order

**BUDGET:**

CE costs are reimbursable on the project and require that the City first pay 100% to OHM and then submit reimbursement requests to MDOT. Participating expenses for the construction engineering services are reimbursed at 80% thus resulting in a 20% local cost share to Rochester Hills. Although the final accounting has not been completed for closing out the Hamlin Road project, it is estimated that the participating CE cost limit that MDOT will approve is a total of approximately \$1,077,000. Costs in excess of the approved participation limit determined by MDOT are the responsibility of Rochester Hills.

Thus, the final charges for Hamlin Road CE services are estimated as:

MDOT - \$861,600                      Rochester Hills - \$221,687.35 (below the \$250,000 estimate in the 2010 budget)

Funds for the CE services were included in the 2010 budget [\$21,000] and the first quarter budget amendment of 2011 [\$54,000].

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>2010 Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Major Road	452.970000	Const. & Improvements	\$21,000.00	\$21,000.00	\$0

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>2011 Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
Major Road	452.970000	Const. & Improvements	\$54,000.00	\$53,995.18	\$4.82

**RECOMMENDATION:**

It is recommended that City Council approve the first amendment for construction engineering services for Orchard, Hiltz & McCliment, Inc. on the Hamlin Road widening Crooks to Livernois project and authorize the Mayor and Clerk to execute the contract on behalf of the City. The proposed amount of the increase is \$74,995.18 for a new total not-to-exceed figure of \$1,074,776.35.

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

Attachment(s): OHM cover letter dated February 21, 2011 (2 pages)  
First Amendment to Construction Engineering Contract (3 pages)