



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2024-0242 Version 2

TO: Mayor and City Council Members

FROM: Mike Viazanko, Director Building/Ordinance/Facilities

DATE: August 11, 2025

SUBJECT: Increase to Project Budget for Design-Build Innovation Hills Restroom Project

REQUEST:

City Council is requested to authorize an increase to the contract/blanket purchase order for the Innovation Hills Restroom Project in the amount of \$20,000.00 for a new not-to-exceed project budget amount of \$1,029,444.00 to Mando Construction, Mount Clemens, Michigan.

REASON FOR PURCHASE:

The Innovation Hills Restroom Project is nearing completion, and we are requesting a budget increase of \$20,000 to address several final, unanticipated project costs. This increase is necessary to cover essential work that arose during construction and plan review, ensuring the project's successful and safe completion. While we anticipate we may not utilize the entirety of the requested funding, securing this approval now will prevent any potential delays as we finalize these critical elements.

The need for this additional funding stems from three primary areas: unforeseen utility and site work, design adjustments discovered during plan review, and public safety enhancements.

The most significant portion of this increase is due to an unexpected and late-stage requirement from DTE. While our initial project plans and conversations with DTE representatives indicated we could connect to a nearby electrical source, their final plan review—a step that doesn't occur until a project is well underway—directed us to connect to a specific electrical transformer box located a significant distance away. This directive came after our initial budget was approved, requiring the City to perform an extensive and costly underground boring procedure that was not included in our original scope. The City engaged in several conversations with DTE to find alternative solutions, but none were approved by the utility company.

Additionally, recent heavy rainfall revealed a need for a more robust drainage solution to protect the building and surrounding park area from pooling water and washouts. While our initial drainage plans were approved and executed, the City worked with the contractor to design and implement an enhanced drainage system to redirect water away from the structure, preventing potential long-term damage or flooding. This was also an unanticipated cost not accounted for in our project budget.

Throughout the project, we have made several necessary adjustments, which required us to use our existing contingency funds to address new requirements and improve the long-term durability of the facility. These items included:

- **Metal Roof vs. Asphalt:** A strategic decision was made to upgrade from an asphalt to a metal roof. This proactive choice will ensure greater longevity and durability for the facility, reduce future maintenance costs, and maintain consistency with other park buildings.

- PA System: A public address (PA) system was added during the plan review process for public safety announcements, providing a critical emergency communication tool for park patrons.

The requested increase is to ensure we can address these final, essential costs, allowing us to close out the project successfully. Your draft is in a strong position to be presented and should effectively address the council's concerns about responsible spending.

PROCESS:

Vendor Name and Address:

Mando Construction, Inc.
75 Lafayette Street, Suite 100
Mt. Clemens, MI 48043

Reason for Selection:

Best Value

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Funding is included in the FY 2025 Adopted Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities Fund	Building	631.975000	\$1,075,000	\$1,029,444	\$45,556

RECOMMENDATION:

It is recommended that City Council authorize an increase to the contract/blanket purchase order for the Innovation Hills Restroom Project in the amount of \$20,000.00 for a new not-to-exceed project budget amount of \$1,029,444.00 to Mando Construction, Mount Clemens, Michigan.

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

