



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
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Legislative File No: 2024-0037 Version 2

TO: Mayor and City Council Members

FROM: Tracey Balint, P.E., Interim Director, Department of Public Services

DATE: May 11, 2026

SUBJECT: Increase to Blanket Purchase Order for Underground Utility Repairs and Related Services

REQUEST:

City Council is requested to authorize an increase to the blanket purchase order/contract for underground utility repairs and related services to Superior Excavating, Auburn Hills, Michigan as the primary vendor for these services and Aielli Construction Company, Inc., Shelby Township, Michigan as the secondary vendor in the amount of \$500,000.00 not-to-exceed \$1,550,000.00 through January 31, 2027 and further authorizes the Mayor to execute an agreement on behalf of the City.

REASON FOR PURCHASE:

At the January 22, 2024, meeting, City Council authorized a three-year blanket purchase order for underground utility repairs to ensure rapid response to infrastructure failures. Since that time, a high volume of unanticipated, necessary repairs has used a significant portion of the original authorization. Most recently, the Department of Public Services (DPS) identified a critical failure along Stanford Circle, where a sewage backup led to the discovery of three sags in the sanitary sewer main. Additionally, residential leads were found tied into the bottom of the main, causing continuous sewage retention and a high probability of future backups. Under the current agreement, the City engaged its contractors to provide an estimated cost for the repair, which is approximately \$313,000.

As the current blanket authorization has a remaining balance of approximately \$211,501, an increase is required to proceed. To address this immediate failure and ensure sufficient funds remain for other urgent utility repairs through the contract expiration on January 31, 2027, an increase of \$500,000 is requested. This adjustment will bring the total contract authorization to \$1,550,000, allowing the City to maintain essential infrastructure and public health standards.

PROCESS:

Vendor Name and Address:

Superior Excavating
PO Box 214290
Auburn Hills, MI 48321

Aielli Construction Company, Inc.
47850 Van Dyke Road
Shelby Township, MI 48313

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order/Contract

BUDGET:

Partial funding is included in the FY 2024-26 Adopted Budgets.

To address the \$500,000 proposed increase for underground utility repairs, it is proposed to reallocate \$500,000 from the University Hills Water Main Replacement project contingency budget. This project will be completed soon, with an estimated +\$600,000 of unspent project contingency budget remaining.

If approved by City Council, Fiscal will reallocate \$500,000 from the unspent University Hills Water Main Replacement project contingency budget to the Underground Utility Repair budget. There is no impact on Water & Sewer Capital Fund Retained Earnings Reserves due to the reallocation.

Fund Name	Department Account No	Account No. Description	3-Year Budget Amount	3-Year Cost	Remaining Budget
W&S Capital	593.972000	Mains & Services	\$750,000	\$1,250,000	(\$500,000)
Major Road	452.970000	Construction	\$150,000	\$150,000	\$0
Local Street	454.970000	Construction	\$150,000	\$150,000	\$0
		Total	\$1,050,000	\$1,550,000	(\$500,000)

RECOMMENDATION:

It is recommended that City Council authorize an increase to the blanket purchase order/contract for underground utility repairs and related services to Superior Excavating, Auburn Hills, Michigan as the primary vendor for these services and Aielli Construction Company, Inc., Shelby Township, Michigan as the secondary vendor in the amount of \$500,000.00 not-to-exceed \$1,550,000.00 through January 31, 2027 and further authorizes the Mayor to execute an agreement 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