



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: 2025-0122

TO: Mayor and City Council Members

FROM: Bill Fritz, P.E., Director Department of Public Services

DATE: April 7, 2025

SUBJECT: University Hills Water Main Replacement Project, City File #E24-022

REQUEST:

City Council is requested to authorize a contract/blanket purchase order for the University Hills Water Main Replacement Project to Bidigare Contractors, Inc., Plymouth, Michigan in the amount of \$7,276,224.99 with a 10% project contingency in the amount of \$727,622.49 for a total-not-to-exceed project cost of \$8,003,847.48 and further authorizes the Mayor to execute an agreement on behalf of the City.

REASON FOR PURCHASE:

At their April 22, 2024 meeting, City Council authorized the award of the Judson Park and Brabach Orchards Water Main Replacement Project contract to Bidigare Contractors, Inc., Plymouth, Michigan as the lowest, responsive, responsible bidder, which included an option for the City to extend the agreement for two additional years, with a 7% annual price increase.

The City has conducted an evaluation of the feasibility and cost-effectiveness of exercising the first renewal option for the current year's water main projects, specifically the University Hills Project (and Brewster Road Water Main Project), and recommends exercising the renewal option with Bidigare Contractors, Inc. This recommendation is based on the determination that extending the existing contract with the 7% increase is more cost-effective than rebidding the project in the current market, which is currently experiencing some volatility due to uncertainty in material costs and supply chain disruption. The 7% represents a known and manageable cost, while the potential for cost escalation in the current market is a possibility due to uncertainties at this time. Bidigare Contractor's has demonstrated satisfactory performance and quality of work on previous City projects, and the City has been satisfied with the work completed.

The scope of the University Hills Water Main Project required some adjustments to a few pricing items. These adjustments, are denoted with an asterisk (*) in the attached Cost Summary. The adjustments were related to inclusion of 16-inch water main pipe, and lump sum items related to mobilization, traffic maintenance and control, soil erosion measures and audio and video coverage. These adjustments have been thoroughly reviewed and agreed upon between the City and Bidigare Contractors, Inc. It is recommended that City Council authorize the exercise of the first renewal option with Bidigare Contractors, Inc., and authorize award of the contract to Bidigare Contractors, Inc. for the University Hills Water Main Project.

PROCESS:

Vendor Name and Address:

Bidigare Contractors, Inc.
939 S. Mill Street
Plymouth, MI 48170

Reason for Selection:

Contract Extension

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
WS Capital	593.972000	WS-23B: University Hills Sub Water Main Replacement	\$8,267,500.00	\$8,003,847.48	\$263,652.52

RECOMMENDATION:

It is recommended that City Council authorize a contract/blanket purchase order for the University Hills Water Main Replacement Project to Bidigare Contractors, Inc., Plymouth, Michigan in the amount of \$7,276,224.99 with a 10% project contingency in the amount of \$727,622.49 for a total-not-to-exceed project cost of \$8,003,847.48 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