City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
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Legislative File No: 2026-0258 Version 2

TO: Mayor and City Council Members

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

DATE: October 26, 2026

SUBJECT: Increase to Contract for Dutton Road (Wales Dr to Adams Rd) Water Main Replacement Project, City File #E26-005

REQUEST:

City Council is requested to authorize an increase to the contract/blanket purchase order for the Dutton Road Water Main Replacement Project to Bidigare Contractors, Inc., Plymouth, Michigan in the amount of $185,000 for a new total not-to-exceed project cost of $1,256,137.58.

REASON FOR PURCHASE:

The initial scope and unit pricing for the Dutton Road Water Main Replacement Project relied on the pipe bursting method. During construction, unforeseen subsurface ground conditions rendered pipe bursting unviable, leading to multiple failed installation attempts. Consequently, the Road Commission for Oakland County (RCOC) restricted further pipe bursting within their right-of-way (ROW) to prevent further improper pipe abandonment.

In coordination with RCOC and the City's contractor, the project methodology has been modified to utilize hydraulic directional drilling. This method in turn requires abandonment of the existing water main in place via pressure-grouting per RCOC standards. Transitioning to this method requires incorporating adjusted unit pricing items for directional drilling and grout abandonment.

Engineering has itemized quantity reconciliations, and the cost provided is a worst-case scenario estimate. To prevent costly construction shutdowns or stoppage of work, and to keep the contractor mobilized to meet project completion deadlines, the City is requesting spending authorization based on a conservative, worst-case scenario model. Approval of this requested increase does not mean the entire authorized amount will be spent. It establishes sufficient blanket spending authority so work can proceed without delay. Upon completion of construction, Engineering will perform a final field quantity reconciliation via a balancing change order. Any unused pay items or contingency funds will remain unspent and be closed out with the balance remaining on the blanket purchase order (unspent). The City will only pay for actual, field-verified quantities installed.

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:
Partial funding is included in the FY 2026 Adopted Budget.

It is proposed to utilize a portion of the +$232,860 remaining project budget from the University Hills Water Main Replacement project (2025-0122), and reallocate +$185,000 from that remaining project towards the Dutton Road Water Main Replacement project.

If approved by City Council, Fiscal shall reallocate +$185,000 from the University Hills Water Main Replacement project to the Dutton Road Water Main Replacement project as part of the FY 2026 4th Quarter Budget Amendment.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Water & Sewer Capital Fund	593.972000	Mains & Services	$1,071,250.00	$1,256,137.58	($184,887.58)

RECOMMENDATION:
City Council is recommended to authorize an increase to the contract/blanket purchase order for the Dutton Road Water Main Replacement Project to Bidigare Contractors, Inc., Plymouth, Michigan in the amount of $185,000 for a new total not-to-exceed project cost of $1,256,137.58.

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