



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2026-0287

TO: Mayor and City Council Members

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

DATE: June 22, 2026

SUBJECT: Henry Ford Hospital, Avon Towers, and Rochester High School Water Main Replacement
City File #E22-015

REQUEST:

City Council is requested to authorize a contract/blanket purchase order for the Henry Ford Hospital, Avon Towers, & Rochester High School Water Main Replacement Project to Bidigare Contractors, Inc., Plymouth, Michigan in the amount of \$1,902,886.76 with a 10% project contingency in the amount of \$190,288.68 for a total-not-to-exceed project cost of \$2,093,175.43 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 second and final renewal option for the current year's water main projects, specifically the Henry Ford Hospital, Avon Towers, and Rochester High School Water Main Replacement Project (and Dutton Road Water Main Replacement Project), and recommends exercising the final renewal option with Bidigare Contractors, Inc. This recommendation is based on the determination that extending the existing contract with a 7% increase to the 2025 unit prices is more cost-effective than rebidding the project in the current market. The 7% represents a known and manageable cost, while the potential for cost escalation in the current market is always a possibility when soliciting bids. 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 Henry Ford Hospital, Avon Towers, and Rochester High School Water Main Replacement Project required pricing adjustments, which are highlighted in the attached Cost Summary. These changes stem from an expansion of the project's scope during the design phase. Initially, the project focused on replacing the existing water main within the hospital property and extending it along Walton Boulevard (east of Livernois) to establish a redundant connection. Since then, the Department of Public Services (DPS) opted to incorporate the replacement of aging water infrastructure at Avon Towers and the adjacent Rochester High School. The Avon Towers water system relies on obsolete, unrepairable "Traverse City" model hydrants and valves, and is hydraulically tied to the hospital infrastructure already slated for replacement. Additionally, the Rochester High School segment has a history of multiple water main breaks. Bundling these two nearby infrastructure replacements into the existing project allows the City to leverage economies of scale while minimizing community disruption. These adjustments have been thoroughly reviewed and agreed upon by the City and Bidigare Contractors, Inc. Therefore, it is recommended that City Council

authorize the exercise of the second and final renewal option, and award the contract to Bidigare Contractors, Inc. for the Henry Ford Hospital, Avon Towers, and Rochester High School Water Main Replacement 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:

Partial funding is included in the FY 2026 Adopted Budget.

The City proposes the following reallocation of \$410,000 in currently budgeted and unspent funds, as well as \$426,000 from retained earnings, to account for this project’s budget deficit:

- \$35,000 = WS-20B / East Nawakwa Water Main Preliminary Engineering
 - Project can be designed in-house, no need for outside consultant to assist with design
- \$375,000 = WS-23B / University Hills Water Main Replacement
 - Project is nearly complete, utilize remaining unspent project contingency
- \$426,000 = The remaining balance will come from Retained Earnings

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Water & Sewer Capital Fund	593.972000	Mains & Services	\$1,257,820.00	\$2,093,175.43	(\$835,355.43)

RECOMMENDATION:

It is recommended that City Council authorize a contract/blanket purchase order for the Dutton Road Water Main Replacement Project to Bidigare Contractors, Inc., Plymouth, Michigan in the amount of \$1,902,886.76 with a 10% project contingency in the amount of \$190,288.68 for a total-not-to-exceed project cost of \$2,093,175.43 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		
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Contract Reviewed by City Attorney Yes N/A