

cityofnovi.org

# CITY of NOVI CITY COUNCIL

Agenda Item 2  
July 6, 2009

**SUBJECT:** Approval of cost participation agreement with the Road Commission for Oakland County for the Novi Road/Grand River to Twelve Mile Road repaving project (phase 1) in the amount of \$415,500.

*RZH*

*BTC*

**SUBMITTING DEPARTMENT:** Department of Public Services, Engineering Division

**CITY MANAGER APPROVAL:**

<b>EXPENDITURE REQUIRED</b>	<b>\$ 415,000</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 125,000 (see budget amendment)</b>
<b>APPROPRIATION REQUIRED</b>	<b>\$ 290,000</b>
<b>LINE ITEM NUMBER</b>	<b>204-204.00-865.695</b>

## BACKGROUND INFORMATION:

The Road Commission for Oakland County (RCOC) is requesting approval of the attached Cost Participation Agreement for the repaving of Novi Road from Grand River to 12 Mile Road. RCOC received \$827,000 in grant funding from the American Recovery and Reinvestment Act (ARRA) funding for the project. The project includes the repair, mill and overlay of the existing road along with the extension of the northbound right turn lane from the northern entrance to Twelve Oaks to 12 Mile Road.

The total cost of the repaving project is estimated to be \$1,658,000, of which \$827,000 is funded by the ARRA grant. The original project scope under the grant included only the portion of Novi Road between I-96 and 12 Mile Road; however, RCOC has extended the project limits south to Grand River Avenue. ARRA grants are capped at the original requested amount; therefore, the remaining project costs are split 50/50 between RCOC and Novi. Novi's share of the projects costs are estimated to be \$415,500, with \$207,750 due following execution of this agreement and the remaining funds due at the conclusion of construction based on actual construction costs. It is recommended that the installation of the new traffic signal at Beck Road and Cider Mill be deferred to facilitate funding of this project.

The final plans for the project have been submitted to Michigan Department of Transportation (MDOT) and it is anticipated that the project will be included in an August 2009 bid letting. (MDOT is responsible for administering the project since federal funds are being used). If the project is bid in August, construction can begin in September with a completion date in November (before the holiday shopping season begins).

As noted in the attached June 18, 2009 memo from Brian Coburn, there are two projects along this segment. This agreement covers the first project which is the repaving of Novi Road from Grand River to 12 Mile Road. The second project has been deferred until spring 2010 and includes signal replacement and sidewalk ramp upgrades along the same stretch of Novi Road, and will have an estimated cost of an additional \$398,000 from the City of Novi. The funding for the second phase of the project will be paid from fund balance and will not be affected by the discontinuation of the tri-party funding through Oakland County.

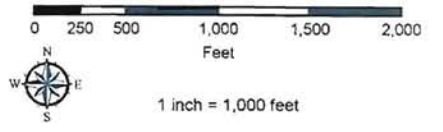
**RECOMMENDED ACTION:** Approval of cost participation agreement with the Road Commission for Oakland County for the Novi Road/Grand River to Twelve Mile Road repaving project (phase 1) in the amount of \$415,500.

	1	2	Y	N
<b>Mayor Landry</b>				
<b>Mayor Pro Tem Gatt</b>				
<b>Council Member Burke</b>				
<b>Council Member Crawford</b>				

	1	2	Y	N
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Staudt</b>				

# Location Map

## Novi Road Repaving from Grand River to 12 Mile



**City of Novi**  
Engineering Division  
Department of Public Services  
45175 W Ten Mile Rd  
Novi, MI 48375  
cityofnovi.org

Map Author: Brian Coburn  
Date: 06/29/09  
Project: Novi Road GR-12 Mile  
Version # 1.0

### MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

June 30, 2009

30903 Northwestern Highway  
P.O. Box 3040  
Farmington Hills, MI 48333-3040  
Tel: 248-851-9500  
Fax: 248-851-2158  
www.secretwardle.com

Elizabeth M. Kudla  
Direct: 248-539-2846  
bkudla@secretwardle.com

Rob Hayes, Director of Public Services  
City of Novi  
45175 W. Ten Mile Road  
Novi, MI 48375

**RE: Cost Sharing Agreement with Road Commission for Oakland County  
Novi Road – Grand River to 12 Mile  
Our File No. 55142 NOV**

Dear Mr. Hayes:

Our office has reviewed the proposed agreement for consideration by City Council prepared by the RCOC for Oakland County with respect to cost sharing for resurfacing Novi Road from Grand River to 12 Mile Road.

Under the Agreement, the City will pay the County 25% of the cost of the resurfacing project. The County will undertake another 25% of the cost, while MDOT will provide the remaining 50% from federal program dollars received pursuant to the American Recovery and Reinvestment Act.

The Agreement provided is for the limited purpose of setting forth how costs will be shared between the named parties. Specifics regarding the award and contracting of the project are not included within this Agreement.

Based on the limited scope of the contract, we see no legal impediment to entry into the Agreement with the RCOC.

If you have any questions regarding the above, please do not hesitate to contact me.

Very truly yours,

  
Elizabeth M. Kudla

EMK

cc: Maryanne Cornelius, City Clerk  
Brian Coburn, Senior Civil Engineer  
Thomas R. Schultz, Esquire

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**COST PARTICIPATION AGREEMENT**

**CONSTRUCTION**

Novi Road

Grand River to 12 Mile Road

City of Novi

BOARD Project No. 49841

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the Board of Road Commissioners for the County of Oakland, Michigan, hereinafter referred to as the BOARD, the City of Novi, hereinafter referred to as the COMMUNITY, provides as follows:

WHEREAS, the BOARD and the COMMUNITY, in cooperation with the Michigan Department of Transportation, hereinafter referred to as MDOT, have programmed the resurfacing of Novi Road from Grand River Road to 12 Mile Road, described in Exhibit "A", attached hereto and made a part hereof. The improvements involve roads under the jurisdiction of the BOARD, and within the COMMUNITY, and are hereinafter referred to as the PROJECT; and

WHEREAS, the estimated total PROJECT cost is \$1,658,000; and

WHEREAS, the BOARD shall enter into a contract with MDOT for partial funding of the PROJECT with federal program dollars under the American Recovery and Reinvestment Act; and

WHEREAS, the BOARD, as the requesting party therein, will be the party financially responsible to MDOT to bear all costs of the PROJECT in excess of federal funds, hereinafter referred to as the LOCAL MATCH; and

WHEREAS, the parties hereto have reached a mutual understanding regarding the cost sharing for the LOCAL MATCH and wish to commit that understanding to writing in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in conformity with applicable law, it is hereby agreed between the parties hereto as follows:

1. The BOARD will forthwith undertake and complete the PROJECT, as above described, and will perform all engineering, inspection and administration in reference thereto.
2. The actual total cost of the PROJECT shall include total payments to the contractor, construction engineering and inspection, construction and permanent traffic controls.
3. The BOARD shall enter into a contract with MDOT for partial funding of the PROJECT with federal funds, estimated in the amount of \$827,000.
4. All costs of the LOCAL MATCH, estimated to be \$831,000, shall be shared equally between the BOARD and the COMMUNITY, as detailed in Exhibit A.
5. Upon execution of this Agreement, the BOARD shall submit an invoice to the COMMUNITY in the amount of \$207,750 (being 50% of the COMMUNITY'S share).
8. Upon completion of the construction, the BOARD shall invoice the COMMUNITY for the balance of its estimated share of the LOCAL MATCH.
9. The total actual LOCAL MATCH will be determined from the records of the BOARD upon completion of State financial audits of the PROJECT and a final determination of the total federal funds used on the PROJECT. Final adjustments in the financial obligations of the parties hereto will be made upon completion of the required audits.
10. Upon receipt of said invoice(s), the COMMUNITY shall pay to the BOARD the full amount thereof, within thirty (30) days of such receipt.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and date first written above.

BOARD OF ROAD COMMISSIONERS FOR THE  
COUNTY OF OAKLAND  
A Public Body Corporate

By \_\_\_\_\_

Its \_\_\_\_\_

CITY OF NOVI

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT A**

2009

Novi Road Resurfacing  
Grand River to 12 Mile Road  
In The  
City of Novi  
BOARD Project No. 49841

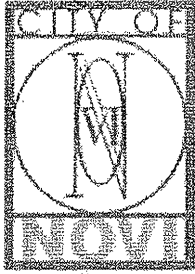
**ESTIMATED PROJECT COST**

Contractor Payments	\$ 1,432,000
Construction Engineering	215,000
Signing Force Account Work (performed by RCOC)	11,000
Total Cost Eligible for Federal Funds	<u>\$ 1,658,000</u>
Less Federal Funding (Capped)	<u>(827,000)</u>
LOCAL MATCH	<u>\$ 831,000</u>

**DISTRIBUTION OF LOCAL MATCH**

	COMMUNITY	BOARD	TOTAL
Total Share	\$415,500	\$415,500	\$831,000





cityofnovi.org

# MEMORANDUM

TO: ROB HAYES, P.E.; DPS DIRECTOR/CITY ENGINEER  
 FROM: BRIAN COBURN, P.E.; SENIOR CIVIL ENGINEER  
 SUBJECT: NOVI ROAD REPAVING (GRAND RIVER TO 12 MILE)  
 DATE: JUNE 18, 2009

6/18/09  
 To: Mayor and City Council Members

Big needed project to resurface highly travelled Novi Rd. other upgrades. Project cost beyond Fed \$, need nearly \$800K City money to complete, take advantage of Fed \$.

*[Handwritten signature]*

The Road Commission for Oakland County (RCOC) has submitted the final set of plans to Michigan Department of Transportation (MDOT) on June 16 for the Novi Road Repaving project from Grand River Avenue to 12 Mile Road. The submittal is for the construction of the first of two projects proposed along this segment of Novi Road, which includes the repair, mill and overlay of the road along with the extension of the northbound right turn lane from the northern entrance to Twelve Oaks to 12 Mile Road.

The second project has been deferred by RCOC until spring 2010 to allow additional time for the easements acquisitions required to complete the work. The second project will include the replacement of the traffic signals from Grand River Avenue to 12 Mile Road (excluding the signals at the I-96 off ramps which are under MDOT control) to decorative mast arms and the construction of accessible sidewalk ramps at the intersections to meet the requirements of the Americans with Disabilities Act (ADA).

The submittal to MDOT this week puts the project in line for an August 2009 bid letting. We anticipate confirmation of the bid letting from MDOT to come shortly. This would allow construction to begin in early September with a completion in early November (before the shopping season begins).

In the last update memo, it was anticipated that future tri-party money could be allocated for the City's share of the project costs. We have since learned that the tri-party program will be terminated. The City's share of the costs for the repaving project are approximately \$420,000 (previously \$140,000 using tri-party funding), of which \$210,000 would be due following execution of the cost sharing agreement (anticipated for City Council consideration in July) and the remaining \$210,000 would be due at the completion of the project in November. After reviewing the options for funding, we are recommending a deferral of the Beck Road and Cider Mill traffic signal installation (\$200,000) to facilitate the funding of the Novi Road repaving project.

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Please let me know if you have any questions in this regard.

cc: Kathy Smith-Roy, Finance Director

#49841 NOVI ROAD, GRAND RIVER TO 12 MILE

Proposed Federal Aid Project

(Fall 11/10)

-3R Work to be done with ARRA money (not including signal work, ADA ramps/crossings, channelization island removal):

Contractor Payment	
- participating	\$1,418,000
- non-participating	14,000
	<u>1,432,000</u>
C.E. (15% of participating)	215,000
Force Account - Signing	11,000
(constr and perm, by RCOC)	
	<u>\$1,656,000</u>

Ph. I

Available Funding:

ARRA Funding:	\$827,000 ← Federal Stimulus
Local Match Req'd	<u>\$829,000</u> / 2 (w/RCOC)

Proposed Future Local Project - (To occur simultaneously with Fed project)

(Spring 2010)

-Signalization project (includes 3 signals, ADA work, removal of channelization island, and replacement of rad. at widening).

Contractor payments	\$640,000
C.E. (15% of participating)	96,000
Force Account - TOC	60,000
(signal controller programming)	
	<u>\$796,000</u>

Ph II

Available Funding:

Local Match Req'd	<u>\$796,000</u> / 2 (w/RCOC)
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Total Project Cost: \$2,452,000 ←