



## CITY of NOVI CITY COUNCIL

**Agenda Item E**  
**March 7, 2011**

**SUBJECT:** Approval to award an amendment to the engineering services contract for additional construction engineering services to Orchard, Hiltz & McCliment (OHM) related to the American Recovery and Reinvestment Act federally funded road projects (Meadowbrook Road and two segments of Nine Mile Road) in the amount of \$31,000.

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

**CITY MANAGER APPROVAL:** *[Signatures]*

EXPENDITURE REQUIRED	\$ 31,000
AMOUNT BUDGETED	\$ 11,800
APPROPRIATION REQUIRED	\$ 19,200
LINE ITEM NUMBER	202-202.00-805.653 (Nine Mile Road Novi to Taft)

### BACKGROUND INFORMATION:

The City of Novi received \$1,008,000 in federal funds through the American Recovery and Reinvestment Act (ARRA) of 2009 for the repaving of Meadowbrook Road (Eight Mile to Nine Mile), Nine Mile Road (Meadowbrook to Haggerty) and Nine Mile Road (Novi to Taft). The construction of these roads is complete and the final stages of project close-out are under way with the Michigan Department of Transportation (MDOT), the agency responsible for administration of federally funded contracts. Orchard, Hiltz, and McCliment (OHM) was awarded the engineering work associated with this project.

The construction cost at completion of the project is anticipated to be approximately \$1,320,000, which is approximately \$59,000 under the bid price of \$1,379,221. Although the project will be completed under the bid price, there were several difficulties with the contractor that required additional work by OHM to resolve. The attached request for additional services from OHM dated February 17, 2011 outlines several of the additional costs incurred as a result of the contractor's actions. Most of the additional scope items were related to additional inspection days and material testing services due to added construction scope and contractor inefficiency, and evaluating multiple claims from the contractor.

After reviewing this request for \$42,027 in additional work, staff recommends award of \$31,000, which includes \$12,768 (21 inspection days at \$608 per day) and \$18,232 (of the \$21,500 requested) for assisting with claims resolution. Both of these additional fees are related to the final segment of Nine Mile Road (Novi Road to Taft Road) project completed in 2010.

The approval of this final amendment to the engineering agreement would cover all engineering fees necessary to bring the project to completion.

**RECOMMENDED ACTION:** Approval to award an amendment to the engineering services contract for additional construction engineering services to Orchard, Hiltz & McCliment (OHM) related to the American Recovery and Reinvestment Act federally funded road projects (Meadowbrook Road and two segments of Nine Mile Road) in the amount of \$31,000.

	1	2	Y	N
<b>Mayor Landry</b>				
<b>Mayor Pro Tem Gatt</b>				
<b>Council Member Fischer</b>				
<b>Council Member Margolls</b>				

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





## Authorization for Additional Services

Project: Engineering Services for  
Federally Funded Major Roads Program  
Contract Administration and Inspection Services

Date: February 17, 2011

### Description of Additional Services:

The original schedule of for the Nine Mile Road, Taft to Novi segment, consisted of 8 weeks for construction, which our estimate for inspector days was based upon. The project was substantially completed in 11 weeks, not including final punch list work. This caused our office to incur additional inspector days beyond the original budget. The additional construction time was cause by many factors, such as additional work and contractor progress. In addition to the additional construction time, our office incurred additional effort due to an exorbitant amount of claims. The following is detailed breakdown of the additional work as well as a comparison to the original scope of work if applicable.

### Meadowbrook Road (Eight Mile to Nine Mile Road) Additional Work

- Inspection and testing services for the re-paving of a section of roadway near Eight Mile Road. \$1,218.20
- Obtained a temporary grading easement from the property owner on the northwest corner of Meadowbrook and Eight Mile Road to provide for a better transition for the finish grading. \$376.00

### Original Scope of Work

- Re-inspection and re-testing of roadway work was not included in the original scope of work.
- Easements were not included in the original scope of work.

### Nine Mile Road (Novi Road to Taft Road) Additional Work

- An additional 21 days of inspection was incurred due to additional work (such as MCI, concrete collars, geogrid, etc.) and construction progress. \$12,915.00

Authorization for Additional Services

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- Additional construction engineering time was incurred due to the conflicts with MCI, mailboxes, concrete collars, geogrid, and an additional 3 progress meetings.  
\$5,060.00
  
- Additional investigation was requested on the 4C mix prior to construction of this segment to re-validate the City's decision to use the 4C mix in lieu of the super pave mix design. \$957.69
  
- Additional contract administration time was required to negotiate and resolve an exorbitant amount of claims from the contractor. Our office negotiated 40 pay item claims, 36 claims for extra work, and 5 extensions of time. In total, approximately \$80,000 worth of claims were investigated, negotiated, and agreed upon at \$35,000. Examples of claims investigated, negotiated, and agreed upon are:

Subgrade Undercut	\$12,000.00
Aggregate Base, 6"	\$5,000.00
Pavement Remove	\$6,000.00
Drainage Structure Tap	\$9,000.00
Inlet Filters	\$4,000.00

In addition our office continues to negotiate \$40,000 in liquidated damages.  
\$21,500

Original Scope of Work

- Our original inspector day estimate was 55 days based upon 8 weeks of construction. Construction actually was completed in over a 11 weeks causing an additional 21 inspector days to be utilized.
- Construction engineering time for working with MCI, mail service, and completing, the additional work for the concrete collars, geogrid, and additional progress meetings was not included in the original scope.

Please note that the final estimated budget for this project was 1.5 million, the bids came in at \$1.38 million, and final construction dollars are estimated at \$1.32 million, or \$60,000 under bid amount, and \$180,000 under final estimate. These figures do not include the \$40,000 in liquidated damages that is still unsettled.

Proposed budget amount for additional services:

Meadowbrook Road	\$1,594.20
Nine Mile Road (N-T)	\$40,432.69
Total	\$42,026.89

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Based upon the increase in the scope of work we respectfully request a budget amendment in the amount of \$42,026.89.

Please also note that we will need to continue to spend effort in closing out this project with MDOT, for which we are not requesting additional compensation. We anticipate attending one additional claims meeting, and then processing all remaining paper work. If the City wishes to pursue liquidated damages further, additional budget will be requested.

Sincerely,  
Orchard, Hiltz & McCliment, Inc.

A handwritten signature in blue ink, appearing to read "James C. Stevens". The signature is fluid and cursive, with a horizontal line underneath it.

James C. Stevens, P.E.

Approved By:  
City of Novi

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Date

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