



SUBJECT: Approval of a contract with The Adams Group for the demolition and removal of the structure located at 2094 Austin for a total cost not to exceed \$47,653.00 subject to final approval of the City Manager and City Attorney and amend the budget.

SUBMITTING DEPARTMENT: Community Development

EXPENDITURE REQUIRED	\$47,653.00
AMOUNT BUDGETED	\$0
APPROPRIATION REQUIRED	\$47,653.00 (offset by increase in revenue budget)
LINE ITEM NUMBER	101-371.00-941.371

BACKGROUND INFORMATION: The Novi Code Compliance staff have been working a number of years to address this unfinished vacant home. While never approved for occupancy the owner appeared to have moved into and this was confirmed through the execution of an administrative search warrant in March of 2021. The building was unsafe for occupancy and posted a such. The owner was directed to vacate and ticketed. A subsequent Consent Agreement and bond required the home to be completed by May 15, 2022. The home was not finished and in fact not even all of the required rough inspections have been completed while uninspected construction proceeds contrary to the approved plans. A Formal Hearing was held at the District Court on July 13, 2022, and the Judge approved moving forward with the demolition in accordance with the agreement. A Pre-Demolition Hazardous Material survey was completed for the structure. The bid documents require and include abatement and disposal by appropriately licensed entities in an appropriate landfill.

A total of 2 complete bid packages were received and The Adams Group was the lowest qualified bidder. The work is anticipated to be complete within 45 days of electrical and gas utility terminations.

While the City would need to pay for the demolition up front the Consent Agreement specifies that the costs would then be billed to the owner and, if unpaid, placed as a lien on the property. The Court would be requested to release any available balance of the \$25,000.00 bond for application towards the demolition cost.

RECOMMENDED ACTION:

Approval of a contract with The Adams Group for the demolition and removal of the structure located at 2094 Austin for a total cost not to exceed \$47,653.00 subject to final approval of the City Manager and City Attorney and amend the budget.

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following Budget Amendment for the demolition and removal of the structure located at 2094 Austin is authorized:

	INCREASE (DECREASE)
General Fund	
REVENUES	
Licenses, Permits, & Charges for Services	47,653
TOTAL REVENUES	\$ 47,653
APPROPRIATIONS	
Community Development - Building	
Other Services and Charges	47,653
TOTAL APPROPRIATIONS	\$ 47,653
Net Increase (Decrease) to Fund Balance	\$ -

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held on September 26, 2022

Cortney Hanson
City Clerk

MEMORANDUM



TO: PETE AUGER, CITY MANAGER
FROM: CHARLES BOULARD, COMMUNITY DEVELOP. DIRECTOR
SUBJECT: STATUS OF CODE COMPLIANCE DEMOLITION REQUESTS
DATE: SEPTEMBER 19, 2022 REV

Background:

The quality, desirability, and values of properties throughout the City of Novi are impacted by the condition of existing structures and property. Novi Code Compliance efforts toward blighted properties first and foremost focus on working with owners to repair structures to bring them into compliance with the adopted property maintenance codes and City Ordinances. This is far and away the most efficient, economical, and productive abatement method and is successful in nearly all cases we address.

Where property owners are reticent to make the needed repairs or corrections the necessary cooperation can be encouraged with action through the local Courts. In cases where the owner chooses not to cooperate with the direction of the Court the City will typically request and receive an order to repair or remove a structure. Repair is always the preferred option as it increases rather than decreases the taxable value in the community and is typically a better use of resources than removal. In some cases, however, the cost to repair a structure will exceed the potential value and any opportunity for the City to recover the funds expended. Our Code Compliance team has been diligently pursuing repair of (2) properties and is currently requesting demolition proposals as last resort. A brief background of the properties is provided below:

41321 Llewelyn:

This single-family property had been vacant and fallen into disrepair. Code Compliance staff pursued repair and, when the owner was not willing to make the investment issued an RFP for repairs of the building shell. The cost of these repairs exceeded the potential value of the property and would have limited the opportunity for the City to secure reimbursement through a lien.

Moving forward the City staff secured an agreement for repair or demolition and were ready to move forward with removal when the owner began repairs and posted a bond with the Court as part of a Consent Agreement. A further delay was caused when the property was claimed to have been sold. Renovation work is underway but has been haphazard at best and the work was no where near complete on the August 1 date specified in the Consent Agreement for a completion sufficient to allow issuance of a Certificate of Occupancy. As such, an RFP was issued for demolition and is due

soon. At a Court hearing to enforce the Consent Agreement last week the owner requested the Court extend the agreement yet again.

The Judge did not appear to be inclined to do so and set for a hearing 30 days out. If the Court sees fit to allow enforcement of the agreement staff would bring forth a contract for consideration.

While the City would need to pay for the demolition up front the Consent Agreement specifies that the costs would then be billed to the owner and, if unpaid placed as a lien on the property. The Court would be requested to release any available balance of the \$30,000.00 bond for application towards the demolition cost. A pre-demolition hazardous materials survey has been completed and abatement of any remaining identified materials is included in the demolition scope of work

2094 Austin:

This property had been under construction for many years. While it was never approved for occupancy the owner appeared to move in and this was confirmed through execution of an administrative search warrant in March of 2021. The building was unsafe for occupancy and posted a such. The owner was directed to vacate and ticketed. A subsequent Consent Agreement and bond required the home to be completed by May 15, 2022. The home was not finished and in fact not even all of the required Rough inspections have been completed while uninspected construction proceeds contrary to the approved plans.

A Formal Hearing was held at the District Court on July 13, 2022, and the Judge approved moving forward with the demolition in accordance with the agreement. An RFP for demolition was issued, and it is our intent to bring forth a contract for the removal of this structure as well.

While the City would need to pay for the demolition up front the Consent Agreement specifies that the costs would then be billed to the owner and, if unpaid, placed as a lien on the property. The Court would be requested to release any available balance of the \$25,000.00 bond for application towards the demolition cost. Unfortunately, the home is constructed of insulated concrete forms (ICF) filled with concrete with a DTE line adjacent to the frontage. Demolition cost will likely exceed that of a typical dwelling of similar size. A pre-demolition hazardous materials survey has been completed and abatement of any remaining identified materials is included in the demolition scope of work

Please let me know if I can provide any additional information.

**CITY OF NOVI
HOUSE DEMOLITION - 2094 AUSTIN DRIVE
BID TABULATION
FRIDAY, SEPTEMBER 9, 2022 2:00 p.m**

This tabulation reflects submittal data by the following companies. However, they have not been evaluated for accuracy of information. Final decision for award will be determined once the evaluation has been completed.

Company	The Adams Group	Smalley Construction
Lump Sum	\$47,653	\$49,035
Potential Additional Services		
1. Fuel tank pumping & removal	\$5,000	\$500
2. Contaminated soil removal per cy	\$80/cu yd	\$85/cu yd
3. Soil borings (each)	n/a	\$300
4. Two (2) hour monitoring wells with water sample	n/a	\$3,000
5. Septic tank pump/fill (if required)	\$750	\$750
Acknowledged Addenda	Y	Y



**CITY OF NOVI
BID FORM**

HOUSE DEMOLITION – 2094 AUSTIN DRIVE

We, the undersigned as bidder, propose to furnish to the City of Novi, according to the conditions, specifications, and instructions attached hereto and made a part thereof:

A. DEMOLITION/REMOVAL/DISPOSAL, PER SPECIFICATIONS

Lump Sum \$ 47,653.00

B. POTENTIAL ADDITIONAL SERVICES

- | | |
|---|--------------------|
| 1. Fuel tank pumping & removal | \$ <u>5,000.00</u> |
| 2. Contaminated soil removal per cubic yard | \$ <u>80.00</u> |
| 3. Soil borings (each) | \$ <u>NA.</u> |
| 4. Two (2) 72 hour monitoring wells with water sample | \$ <u>NA.</u> |
| 5. Septic tank pumping/fill (if required) | \$ <u>750.00</u> |

We acknowledge receipt of the following Addenda: #1 _____
(please indicate numbers)

Exceptions to specifications (all exceptions must be indicated here):

Comments: _____

Please provide at least three (3) verifiable municipal references for similar work done within the last 3 years.

Municipality Rochester Hills
Address 1000 Rochester Hills Drive
Phone 248-841-2537 Contact name Lisa Cummins - Procurement Manager

Municipality City of Fraser
Address 33000 Garfield Rd
Phone 586-293-3100 x158 Contact name Bob Logan - Building Official

Municipality City of Rochester
Address 400 6th Street
Phone 248-733-3700 Contact name Randy McClure - Building Official

Non-Iran Linked Business

By signing below, I certify and agree on behalf of myself and the company submitting this proposal the following: (1) that I am duly authorized to legally bind the company submitting this proposal; and (2) that the company submitting this proposal is not an "Iran linked business," as that term is defined in Section 2(e) of the Iran Economic Sanctions Act, being Michigan Public Act No. 517 of 2012; and (3) That I and the company submitting this proposal will immediately comply with any further certifications or information submissions requested by the City in this regard.

Company (Legal Registration) The Adams Group Inc.

Address 1700 E Auburn Rd

City Rochester Hills State MI Zip 48307

Telephone 248-550-5751 cell - Keith Fax _____

Representative's Name (please print) Keith Cameron

Representative's Title Account Representative /Project Manager

Representative's Signature Keith Cameron

E-mail keith@adams-incorporated.com

Date 09/06/2022

Adams Group – Demolition
1700 E Auburn Rd
Auburn Hills MI 48307

888 993 3200

adams
G R O U P

THE ART OF DEMOLITION

Keith Cameron

Mobile 248-550-5751
keith@adams-incorporated.com

1700 E. Auburn Road
Rochester Hills, MI 48307
www.adamsgroupdemolition.com

*Received 9/9/22
1:51pm
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City Of Novi
Finance Department
45175 Ten Mile Rd.
Novi MI 48375-3024

HOUSE DEMOLITION – AUSTIN DR 2094

