

cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item C
October 26, 2009

SUBJECT: Approval of final payment of \$6,830 to American Sprinkler Inc. for the Twelve Mile Road Irrigation project, located in the median of Twelve Mile Road between Novi and Meadowbrook Roads; and waiver of the Maintenance and Guarantee Bond requirement for the project.

SUBMITTING DEPARTMENT: Department of Public Services – Water & Sewer Division

CITY MANAGER APPROVAL: *[Signature]* *RJA*

[Signature]

EXPENDITURE REQUIRED	\$6,830
AMOUNT BUDGETED	\$0
APPROPRIATION REQUIRED	\$6,830 (to be included in next quarterly budget amendment)
LINE ITEM NUMBER	204-204.00-866.012

BACKGROUND INFORMATION:

American Sprinkler Inc. completed the installation of the irrigation system in the median islands along a one-mile stretch of 12 Mile Road between Novi Rod to Meadowbrook Road in the fall of 2007. American Sprinkler Inc. installed topsoil, seed and mulch along these islands in 2008 to establish turf. Following the installation, staff held \$6,830 of the final payment as retainage until the landscaping along these islands was established.

Because of the retainage amount and the nearly two years it was held, it was not necessary to require a maintenance and guarantee bond, which normally ensures the improvements are in good working order by repairing any defect, whether due to improper or defective materials, equipment, labor, workmanship, or otherwise without expense to the City. Since fall 2007, we have verified that all system components are working satisfactorily. In addition, the turf has been established and viable for one complete growing season and is therefore also satisfactory. Therefore, staff recommends waiving the one-year Maintenance and Guarantee Bond requirement and that a final payment in the amount of \$6,830 be released.

The City Attorney's office has reviewed the supporting documentation and found it to be in an acceptable form (Beth Kudla's October 14, 2009 letter is attached).

City Council originally awarded this project on September, 7, 2007 in the amount of \$80,731. The project was expanded during the City Council meeting on April 21, 2008, by awarding an additional \$68,300 as an alternate bid to include topsoil and landscaping for the project. The final payment brings the total expenditures on this project to \$152,031. The only change order was to compensate the contractor for charges to connect electrical services at one location for an additional \$3,000.

RECOMMENDED ACTION: Approval of final payment of \$6,830 to American Sprinkler Inc. for the Twelve Mile Road Irrigation project, located in the median of Twelve Mile Road between Novi and Meadowbrook Roads; and waiver of the Maintenance and Guarantee Bond requirement for the project.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

October 14, 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

Suzanne Moreno, Finance Department
City of Novi
45175 West Ten Mile Road
Novi, Michigan 48375

**Re: 12 Mile Irrigation Project
American Sprinkler – Closing Documents
Our File No. 55142 NOV**

Dear Ms. Moreno:

We have received and reviewed the following closing documents you have provided for the 12 Mile Road Irrigation Project:

- Contractor's Request for Final Payment
- DPS Memo Regarding Final Payment
- Contractor's Waiver of Lien

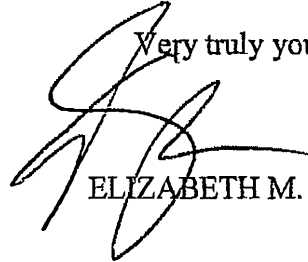
Based on the Memorandum from the City's Water & Sewer Manager, the above project was completed in spring, 2009. The Contractor has requested, and the Water & Sewer Manager has recommended waiver of the Maintenance Bond because the irrigation lines have been in the ground and approved since fall of 2008. On that basis, the standard one-year term of the Maintenance Bond with respect to the improvements has been technically satisfied, though final payment has not been made due to monitoring of the landscape installation. We see no legal impediment to waiver of the Maintenance Bond under the contract in this regard. The contract requirement may be waived by City Council.

Additionally, the Payment Bond in this matter would have expired by its terms 90 days after the work on the project has been completed. Based on the enclosed memo, the Payment Bond has expired. Therefore, there is no requirement to obtain a consent of the surety to final payment. Subject to the above Maintenance Bond waiver, the documents appear to be generally in order.

Suzanne Moreno, Finance Department
October 14, 2009
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Please let us know if you need anything additional or if you have any questions regarding the above, please do not hesitate to call.

Very truly yours,



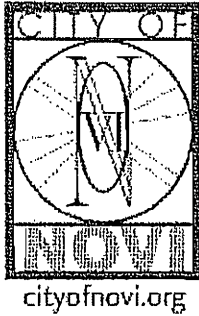
ELIZABETH M. KUDLA

EMK

Enclosures

cc: Clay Pearson, City Manager (w/Enclosures)
Kathy Smith-Roy, Finance Director (w/Enclosures)
Rob Hayes, Director of Public Services (w/Enclosures)
Tim Sikma, Water & Sewer Division Manager (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)

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MEMORANDUM

TO: ROB HAYES, DIRECTOR OF PUBLIC SERVICES
FROM: TIM SIKMA, WATER & SEWER DIVISION MANAGER
SUBJECT: FINAL PAYMENT FOR 12 MILE SPRINKLER PROJECT
DATE: OCTOBER 12, 2009

American Sprinkler completed the installation of the 12 Mile Irrigation System in the fall of 2008. Full completion of the project was not granted at that time because the landscaping was not fully established and the contract called for winterization of the system. To insure that both criteria were met in the spring of 2009, we recommended that we hold \$6,830 of the final bill until these two items in the contract were met. We held this portion of the invoice back instead of utilizing a maintenance bond.

The irrigation system has operated according to the design throughout the summer and we now recommend final payment. Because the system has been in the ground for over a year and we have found no deficiencies related to the installation, we see no reason to retain a portion of the final payment nor do we find reason for a maintenance bond on this project. Any probable deficiencies at this time would be difficult to show as contractor negligence and in-house staff can easily repair irrigation systems problems that may come up. Therefore, we recommend that we waive the maintenance bond for this project and make final payment to American Sprinkler, Inc. for the remaining total of \$6,830.

Should you have additional questions regarding this recommendation, please contact me.

Total P.02

American Sprinkler
34567 Glendale
Livonia, MI 48150

Invoice

Date	Invoice #
10/6/2009	11711

Bill To
City of Novi 45175 W Ten Mile Novi, MI 48375

P.O. No.	Terms	Rep	Project
	Due on receipt		12 Mile Rd Irrigation

Quantity	Description	Rate	Amount
1	Balance due for 12 Mile Road Irrigation	6,830.00	6,830.00
Total			\$6,830.00

Past due balances will be assessed finance charges of 1 1/2% per month.

THANK YOU FOR YOUR BUSINESS!

Phone #
(734) 458-7005

Web Site
Americansprinkler.com



FULL UNCONDITIONAL WAIVER OF LIEN

My/our contract with American Sprinkler, Inc. to provide
(Prime Contracting Party)

landscaping and sprinkler system installation for the improvement of the property
(Type of service)

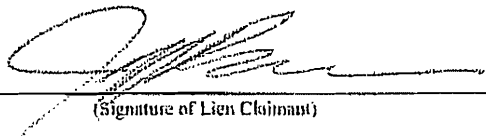
described as 12 Mile Road sprinkler irrigation project
(Project Name)

having been fully paid and satisfied, by signing this waiver, all my/our construction lien rights against such property are hereby waived and released.

If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a Notice of Furnishing from me/one or us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

Signed on:

10/13/2009


(Signature of Lien Claimant)

JEFF BORAWERMAN
(Printed Name of Lien Claimant)

PRESIDENT
(Title of Lien Claimant)

Address:

34567 GLENDALE LANE, MI 48130

Telephone:

734 458-7005

DO NOT SIGN BLANK OR INCOMPLETE FORMS. RETAIN A COPY.



FULL UNCONDITIONAL WAIVER OF LIEN

My/our contract with American Sprinkler, Inc. to provide
(Prime Contracting Party)

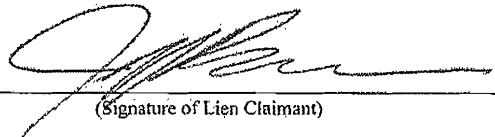
landscaping and sprinkler system installation for the improvement of the property
(Type of service)

described as 12 Mile Road sprinkler irrigation project
(Project Name)

having been fully paid and satisfied, by signing this waiver, all my/our construction lien rights against such property are hereby waived and released.

If the improvement is provided to property that is a residential structure and if the owner or lessee of the property or the owner's or lessee's designee has received a Notice of Furnishing from me/one or us or if I/we are not required to provide one, and the owner, lessee, or designee has not received this waiver directly from me/one of us, the owner, lessee, or designee may not rely upon it without contacting me/one of us, either in writing, by telephone, or personally, to verify that it is authentic.

Signed on: 9/13/2009


(Signature of Lien Claimant)

JEFF BORNEMAN
(Printed Name of Lien Claimant)

PRESIDENT
(Title of Lien Claimant)

Address: 34367 GLENDARE LIVENIA, MI 48150

Telephone: 734 458-7005

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