



cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item 4
September 27, 2010

SUBJECT: Approval of cost participation agreement with the Road Commission for Oakland County for the Novi Road Link (10 Mile Road to Grand River Avenue) project in the amount of \$659,783 (4.7% of the \$13,851,559 total construction cost).

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division *576*

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$594,783 (Road Funds) \$ 65,000 (Water & Sewer Fund)
AMOUNT BUDGETED	\$996,840 (Including ROW and Construction)
LINE ITEM NUMBERS	204-204.00-865.616 (Road Funds) 592-592.00-160.542 (Water & Sewer Funds)

BACKGROUND INFORMATION:

The Road Commission for Oakland County (RCOC) is requesting approval of the attached Cost Participation Agreement for the Novi Road Link (10 Mile Road to Grand River Avenue) project, which has been in the planning and design phases since the 1990s. The project includes the reconstruction of Novi Road from 2 lanes to 5 lanes within the project limits and includes a bridge over the CSX railroad, which is currently at-grade. The project also includes the relocation and replacement of watermain and sanitary sewer in several locations, the realignment of Gen-Mar Drive to facilitate the grades necessary for the new bridge, construction of a continuous pathway on both sides of Novi Road, and a new mast arm traffic signal at the Novi Post Office.

The project has been awarded by Michigan Department of Transportation (MDOT), which administers the federal funding for this Road Commission for Oakland County (RCOC) project, to Dan's Excavating in the amount of \$13,692,627. The project is primarily funded by a Transportation Economic Development Fund Category C (TEDF-C) federal grant in the amount of \$10,954,102. The remaining \$2,738,525 of local match is split between RCOC and the City of Novi according to Exhibit A in the attached agreement with Novi's share being \$659,783, which includes Novi's one-third share (\$505,851) of \$1,517,556 in tri-party funding (with RCOC and Oakland County) that has accumulated between 2005 and 2010 in anticipation of this project. The enclosed financial reports and Exhibit A in the agreement detail the various funding sources and allocations for this project.

A public information meeting was held on September 15, 2010 for residents and the business community, and was well attended (see attached meeting agenda). The Neighborhood and Business Relations Group has developed a Novi Road Link Project E-construction update to keep people informed about construction progress and road closures during the project.

The project construction is currently under way. The contractor has proposed several weekend closures of Novi Road this fall to relocate water main, storm sewer and sanitary sewers. There may also be times in which there are lane closures with flag control to facilitate construction but will result in travel delays. Novi Road will remain fully open to traffic during the winter shutdown which is anticipated between November 15 and April 15. The long-term full closure of Novi Road for the construction of the bridge over CSX railroad is expected to begin in spring 2011 and will be communicated well in advance.

RECOMMENDED ACTION: Approval of cost participation agreement with the Road Commission for Oakland County for the Novi Road Link (10 Mile Road to Grand River Avenue) project in the amount of \$659,783.

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

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



September 13, 2010

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. Kudlna
Direct: 248-539-2846
bkudln@secretwardle.com

Brian Coburn
Engineering Manager
City of Novi
45175 W. Ten Mile Road
Novi, MI 48375

**RE: Cost Sharing Agreement with Road Commission for Oakland County
Novi Road – Ten Mile to Grand River
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 Novi Road Reconstruction from Ten Mile to Grand River.

As noted in Exhibit A to the Agreement, over 3/4 the \$13,851,559 project cost is being funded with Federal Transportation Economic Development Funds. The RCOC will fund an additional \$1,220,969 of the Novi Road reconstruction in addition to its Tri-Party Program Fund contribution. The City will pay 1/3 of the remaining cost of the Novi Road reconstruction with Tri-Party Program Funds, in addition to the total cost of 350 feet of new water main. Oakland County and the RCOC, together, will pay the remaining 2/3 of Tri-Party Program cost for the Novi Road reconstruction. RCOC will pay the cost of replacing irrigation systems along Novi Road. We note that if the Novi Road reconstruction portion of the project exceeds the estimated cost, and there are no additional Tri-Party Program Funds available to cover the increase, then Novi would be responsible for 100% of the increase.

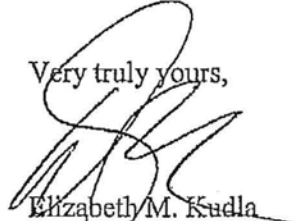
The Agreement provided is for the limited purpose of setting forth how costs will be shared between the named parties. Specifics regarding the award and contracting of the project are not included within this Agreement.

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

Brian Coburn, Engineering Manager
September 13, 2010
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If you have any questions regarding the above, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elizabeth M. Kudla', written over a printed name.

Elizabeth M. Kudla

EMK
Enclosure

cc: Maryanne Cornelius, City Clerk (w/Enclosure)
Rob Hayes, Public Services Director (w/Enclosure)
Thomas R. Schultz, Esquire (w/Enclosure)

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COST PARTICIPATION AGREEMENT

CONSTRUCTION

NOVI ROAD

10 Mile Road to Grand River Avenue

In the
City of Novi

BOARD Project No. 41531

This Agreement, made and entered into this _____ day of _____, 2010, 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 NOVI; and

WHEREAS, the BOARD, in cooperation with the Michigan Department of Transportation, hereinafter referred to as MDOT, and NOVI have programmed the reconstruction and widening of Novi Road, hereinafter referred to as the PROJECT; and

WHEREAS, for purposes of identification and funding, the PROJECT has been divided into the described limitations:

PART A – FEDERAL PARTICIPATION

Construction is described as 0.98 miles of road reconstruction including concrete pavement, sidewalk, curb, and gutter, storm sewer, sanitary sewer, traffic signal upgrades, and construction of a pre-stressed concrete I-beam bridge with mechanically stabilized earth walls over the CSX railroad and Middle Rouge River and on Novi Road from 10 Mile Road northerly to Grand River Avenue in the City of Novi, Oakland County. This work is eligible to receive federal funding.

PART B – NO FEDERAL PARTICIPATION

The installation of watermain together with associated engineering and inspection services within the City of Novi, defined as the area approximately 350 feet south of Flint/Main Street. This work is ineligible to receive federal funding.

PART C – NO FEDERAL PARTICIPATION

The replacement of irrigation systems in various areas on Novi Road from 10 Mile Road to Grand River Avenue. This work is ineligible to receive federal funding.

WHEREAS, the estimated total PROJECT cost is \$13,851,559; and

WHEREAS, the BOARD has executed MDOT Contract 10-5566 for partial funding of the PROJECT cost with Federal Equity Bonus Funds being used as Transportation Economic Development Funds, Category C Program; and

WHEREAS, the BOARD, as the requesting party therein, shall 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 total PROJECT cost shall also include items that are ineligible to receive federal funding as detailed in MDOT Contract 10-5566, hereinafter referred to as NON-PARTICIPATING items; and

WHEREAS, NOVI'S share of said LOCAL MATCH, involves certain designated funding in accordance with the Tri-Party Program, in the amount of \$1,517,556, which amount shall be funded through equal contributions paid by the BOARD, NOVI, and the Oakland County Board of Commissioners, hereinafter referred to as the COUNTY; and

WHEREAS, the parties hereto have reached a mutual understanding regarding cost sharing of 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. NOVI approves of the PROJECT, declares its public necessity, and authorizes the BOARD and MDOT to forthwith undertake and complete the PROJECT, as above described, and to perform all engineering, inspection, and administration in reference thereto.
2. The actual total cost of the PROJECT may include total payments to the contractor, construction engineering, material testing and inspection, construction and permanent traffic controls, traffic signals, and railroad force account.
3. All cost of the LOCAL MATCH for Part A of the PROJECT shall be shared by the BOARD, and NOVI, as indicated in Exhibit A.
4. All contractor payments along with 15% associated engineering cost for Part B of the PROJECT, estimated in the amount of \$153,932, shall be funded entirely by NOVI.
5. All contractor payments for Part C of the PROJECT, estimated in the amount of \$5,000, shall be funded entirely by the BOARD.

6. NOVI'S share of the estimated LOCAL MATCH for Part A of the PROJECT cost is \$1,517,556 and shall be funded in accordance with the following:
 - a. Tri-Party Program funding is not to exceed \$1,517,556.
 - b. Any PROJECT costs for Part A above the Tri-Party Program funding of \$1,517,556 will be funded first with any available Tri-Party Program Funds. If no Tri-Party Program Funds are available, any PROJECT costs for Part A above \$1,517,556 will be funded 100% by NOVI.
7. Upon execution of this Agreement, the BOARD shall submit an invoice to NOVI for \$329,891.50 (being 50% of NOVI'S total contribution).
8. After execution of this Agreement, the BOARD shall submit an invoice to the COUNTY for \$252,925.50 (being 50% of the COUNTY'S Tri-Party Contribution) on October 6, 2010.
 - a. The invoice shall be sent to:
Mr. Tim Soave, Manager of Fiscal Services
Executive Office Building
2100 Pontiac Lake Road, Building 41 West
Waterford, MI 48328
9. As costs of the PROJECT are incurred, the BOARD shall invoice NOVI for the remaining 50% of NOVI'S total contribution, not to exceed \$329,891.50.
10. As costs of the PROJECT are incurred the BOARD shall invoice the COUNTY for the remaining 50% of the COUNTY'S Tri-Party contribution, not to exceed \$252,925.50.
11. Upon receipt of said invoices, NOVI and the COUNTY shall pay to the BOARD the full amount thereof within thirty (30) days of such receipt.
12. NOVI shall be responsible for the maintenance of the following:
 - a. The fence on the bridge over the CSX railroad.
 - b. The paint on the retaining walls and on the bridge over the CSX railroad.
 - c. The paint on the traffic signals located on Novi Road at Flint/Main Street and on Novi Road at the U.S. Post Office (north of 10 Mile Road).

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

TRI-PARTY PROGRAM

County Supported Improvements

Novi Road

10 Mile Road to Grand River Avenue

In the

City of Novi

BOARD Project No. 41531

ESTIMATED PROJECT COST

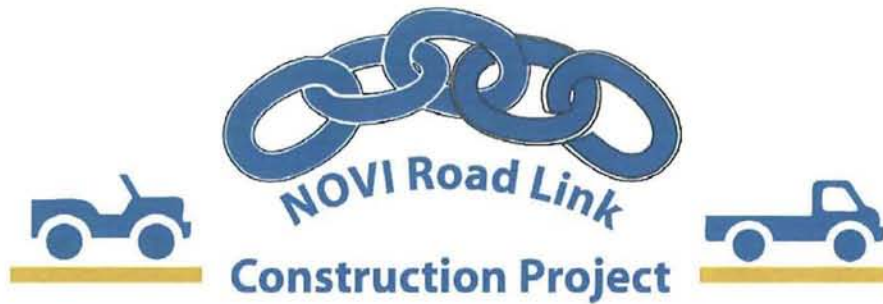
	Federally Funded Items	Items Ineligible for Federal Funds	TOTAL
A. Contractor Payments (based on low bid)	\$11,565,415	\$ 0	\$11,565,415
B. City of Novi Watermain	0	133,202	133,202
C. Sprinkler Replacement	0	5,000	5,000
Construction Engineering (15% of contractors payments)	1,734,812	20,730	1,755,542
Traffic Signal and Railroad Force Account Work	392,400	0	392,400
Total Project Cost	\$13,692,627	\$ 158,932	\$13,851,559
Less Federal TEDF-C Funds	(10,954,102)		(10,954,102)
LOCAL MATCH	\$ 2,738,525	\$ 158,932	\$ 2,897,457

DISTRIBUTION OF LOCAL MATCH

	Part A	Parts B, C	Total Share(s)
BOARD	\$1,220,969	(Part C) 5,000	\$1,225,969
NOVI	1,517,556	(Part B) 153,932	1,671,488
Total Local Match	\$2,738,525	\$158,932	\$2,897,457

BREAKDOWN OF SHARES

	NOVI	BOARD	COUNTY	TOTAL
Part A (Board)	\$ 0	\$1,220,969	\$ 0	\$1,220,969
Part A-FY05 Tri-Party Program	7,091	7,091	7,091	\$ 21,273
Part A-FY06 Tri-Party Program	114,035	114,036	114,035	\$ 342,106
Part A-FY07 Tri-Party Program	115,458	115,457	115,458	\$ 346,373
Part A-FY08 Tri-Party Program	115,137	115,138	115,137	\$ 345,412
Part A-FY09 Tri-Party Program	115,137	115,138	115,137	\$ 345,412
Part A-FY10 Tri-Party Program	38,993	38,994	38,993	\$ 116,980
Part B + 15% Force	153,932	0	0	\$ 153,932
Part C (Board)	0	5,000	0	\$ 5,000
TOTAL SHARES	\$ 659,783	\$1,731,823	\$ 505,851	\$2,897,457



**Public Information Meeting
September 15, 2010**

Welcome & Introductions

Rob Hayes, Director of Public Services
City of Novi

The Big Picture

Jeff O'Brien, Design Engineer
Road Commission for Oakland County

Project details

Mike Torres, Construction Engineer
Road Commission for Oakland County

Business PR & Marketing

Don Tanner
Tanner Friedman

Communications/Updates

Sheryl Walsh, Director of Communications
City of Novi

Question & Answers

Keep connected throughout the project....

E-project updates

Visit cityofnovi.org, click on the Novi Road "Link" Project icon,
and join the mailing list.

**City of Novi Community Relations Office
248.735.5628**

**Road Commission for Oakland County Customer Service
877.858.4804**





Fall 2010 to Fall 2011

*Novi Road widening between
Grand River Avenue & Ten Mile Road*

For e-project updates

Visit cityofnovi.org, click on the Novi Road "Link" Project icon, and join the mailing list.

City of Novi
Community Relations Office
248.735.5628

Road Commission for Oakland
County Customer Service
877.858.4804

Project Cost Analysis
Novi Road Reconstruction Project - Ten Mile Road to Grand River Avenue
City of Novi, Oakland County, Michigan

Project #	Estimate per RCOC Agreement				Actual Cost - ROW Only				
	Estimated Project Cost	Less: Est. Federal / State Funding Sources	Estimated Total Local March	City of Novi Local Match (50%)	Total Gross Project Cost to-date	Less: Est. Federal / State Funding Sources	Total Project Cost To-date	Condemnation Costs not eligible for Federal Aid	City of Novi Local Match (50%)
1. Preliminary Engineering Cost									
1. Actual PE cost as of 05/02/2002	\$ 465,242	\$ (187,800)	\$ 277,442	\$ 138,721	\$ -	\$ -	\$ -	\$ -	\$ -
2. Estimated PE cost following 05/02/2002	734,758	(601,400)	133,358	66,679	-	-	-	-	-
	1,200,000	(789,200)	410,800	205,400	-	-	-	-	-
2. Right of Way Related Costs									
1. Right of Way Acquisition Cost	41531 12,758,000	(9,962,400)	2,795,600	1,397,800	10,010,497	(8,008,398)	2,002,100	542,046	1,272,073
NOVI SHARE of Local Match (50%)				1,603,200					
3. Estimated construction cost (per RCOC)									
Federally funded items	\$ 13,692,627	\$ (10,954,102)	\$ 2,738,525	1,369,263					
Tri-party funded items				148,293					
				1,517,556					
4. Part B - utility relocation and improvements (\$65,000) <i>Water Main</i>				153,932					
Total Estimated Project Cost				\$ 3,274,688	\$ 10,010,497	\$ (8,008,398)	\$ 2,002,100	\$ 542,046	\$ 1,272,073

Less previous payments to RCOC as of June 2010: (1,477,473) (b)

City of Novi - Local Match Balance remaining as of June 2010 \$ 1,797,215

Tri-Party RCOC \$\$ to be applied to this project \$ (1,011,702) (a)

Balance from Municipal Street Fund \$ 785,513 *\$785,513*

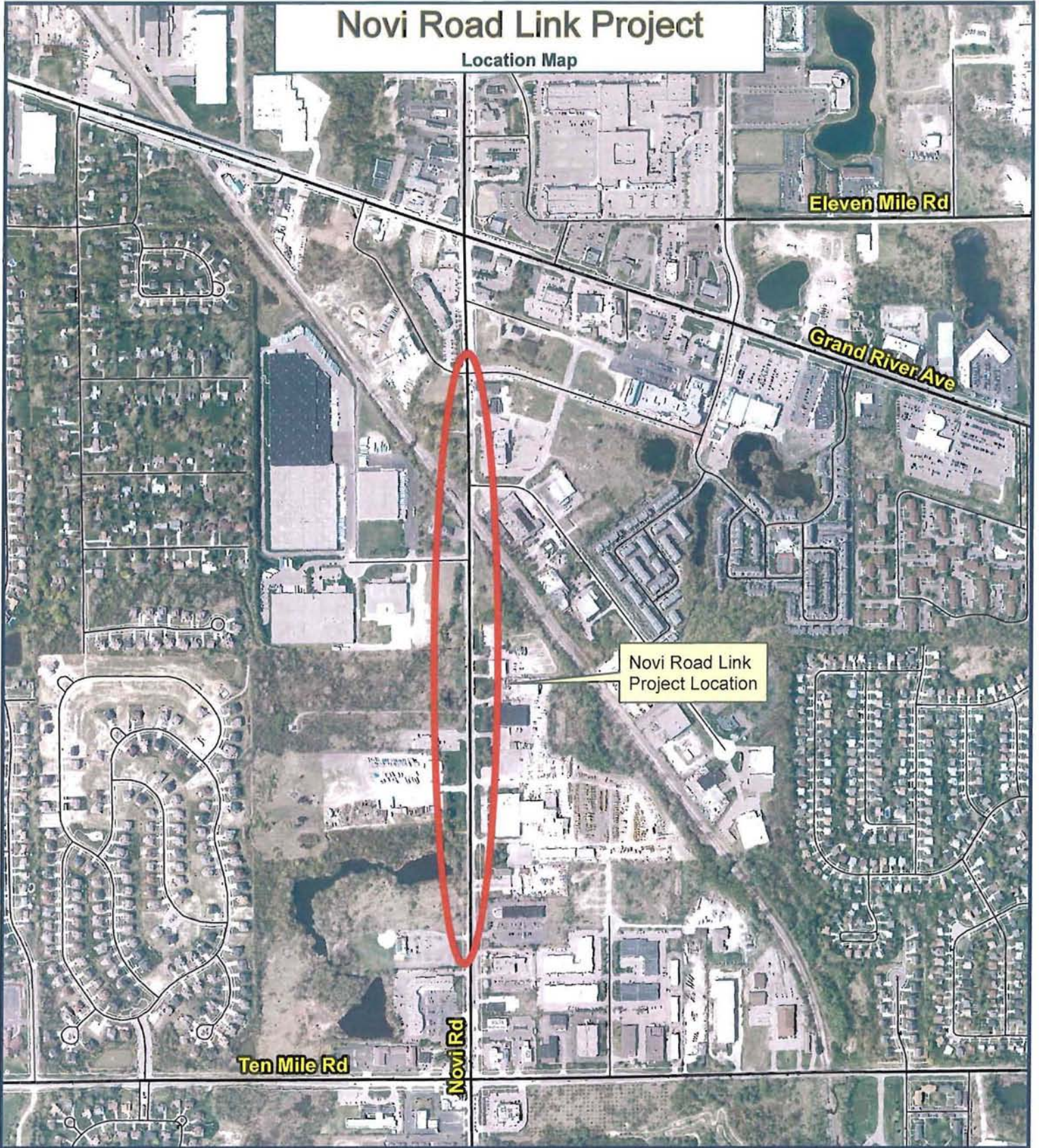
Funding for this project: Road Bond Funds, Municipal Street Fund including transfers from Metro Act Funds \$781,732 thru June 2010)

RCOC amount to be applied (a)	Total Tri-Party	City's Share	Total Tri-Party \$	Annual Tri-Party Resolutions					
	\$	\$		2005	2006	2007	2008	2009	2010
\$ 1,011,702	\$ 1,517,556	\$ 505,854	\$ 1,517,556	\$ 21,273	\$ 342,106	\$ 346,373	\$ 345,412	\$ 345,412	\$ 116,980

General Ledger Reconciliation of Project Costs			
Project Expenditures:		Other Costs	
Preliminary Engineering 204-865.900 (paid in FY 1993-94)			\$ 15,650
Preliminary Engineering 409-805.616			189,750
Right-of-Way 409-862.616		(Payments to RCOC)	976,613
Right-of-Way 204-204.00-862.616		(Payments to RCOC)	295,460
Miscellaneous 409-862.616		\$ 4,925	
Miscellaneous 204-862.616		\$ 5,550	
2009-10 OHM 204-204.00-805.616		\$ 4,435	
2009-10 Novi Rd Grade Separation Project 204-204.00-862.616		\$ 5,500	
		\$ 20,410	
		Total Actual Cost to-date (b)	\$ 1,477,473

Novi Road Link Project

Location Map



Map Author: Brian Coburn, PE
Date: 5/27/10
Project: Novi Road Link
Version #: 1.0

Map Legend

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.



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



1 inch = 800 feet