



CITY of NOVI CITY COUNCIL

Agenda Item H
July 27, 2015

SUBJECT: Approval to award an amendment to the engineering services agreement with URS Corporation for construction engineering services for the 11 Mile Road Pathways (Town Center to Meadowbrook) project in the amount of \$58,430; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$55,050 and appropriation of an additional \$18,000 for this budget line item.

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

CITY MANAGER APPROVAL:

EXPENDITURE REQUIRED	\$ 58,430
AMOUNT BUDGETED	\$0 FY15-16 (\$55,050 allocated 11 Mile Pathway FY14-15)
APPROPRIATION REQUIRED	\$ 55,050 (Rollover from FY14-15) \$ 18,000 (from Municipal Street Fund-Fund Balance)
LINE ITEM NUMBER	202-202.00-805.672

BACKGROUND INFORMATION:

This project involves the construction of pathways on the north and south side of Eleven Mile, resulting in continuous paths between Town Center Drive and Meadowbrook Road. The path on the north side will be a 10-foot wide, asphalt path acting as an extension of the recently completed, Metro Connector Pathway that included a crossing of I-96 on Meadowbrook Road. The path on the south side will be a 6-foot wide, concrete path.

One permanent Pathway Easement and three Temporary Grading Permits were acquired for this project. The remainder of the project is being constructed within existing right-of-way, or Highway Easements that have been acquired previously.

An alternate was included with this project involving the removal and replacement of the existing 8-foot wide path on the north side of Eleven mile extending approximately 600 feet west from Meadowbrook Road. This path is in good condition, however if left in place, would be the narrower than the 10-foot wide non-motorized path being constructed along the remainder of the north side. Prices for the alternate were solicited to provide the opportunity to improve this section to a consistent 10-foot width should City Council wish to do so. Per the contactor's bid, the alternate would cost \$52,385 for construction, plus \$7,885 for construction engineering.

Construction prices came in significantly higher than anticipated for this project. Recently, bids have been coming in 20-30% above estimate, which has been confirmed with other local units of government. Staff believes that the cost increases can be attributed to fewer contractors bidding on work (following the economic downturn that many contractors did not survive), and the increasing demand for construction at this time with

a limited number of contractors. The attached memo provides additional background in this regard.

The construction phase engineering fees are determined using two component: 1) the contract administration fee, which is determined using the fee percentage in Exhibit B of the Agreement for Professional Engineering Services for Public Projects, and 2) the construction inspection fee determined using a cost per inspection (crew) day from Exhibit B of the consultant's agreement that is then multiplied by the number of days of inspection specified by the contractor. The construction phase engineering fees for this project include a contract administration fee of \$32,190 (6.5% of the \$495,225 construction bid) and an inspection fee of \$26,240 (\$640 per crew day, multiplied by the 41 days provided in the contractor's bid) for a total fee of \$58,430.

This project was funded in FY14-15 for construction in 2015; therefore, a rollover budget amendment is required to allocate the remaining FY14-15 funds to the budget line item for FY15-16. Additionally, the project requires additional funds since the bids came in about 30% higher than anticipated. The resolution for the budget amendment is included for City Council consideration. The fund balance in Municipal Street Fund would be reduced by 51.2% to \$800,991, or 10% of budgeted expenditures as a result of all budget amendment requests on this agenda and proposed future budget amendment requests (see attached budget summary)..

It is anticipated that this project will be completed by fall 2015.

RECOMMENDED ACTION: Approval to award an amendment to the engineering services agreement with URS Corporation for construction engineering services for the 11 Mile Road Pathways (Town Center to Meadowbrook) project in the amount of \$58,430; and approval of a resolution authorizing the rollover of FY14-15 funds in the amount of \$55,050 and appropriation of an additional \$18,000 for this budget line item.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Markham				

	1	2	Y	N
Council Member Mutch				
Council Member Poupard				
Council Member Wrobel				

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment for engineering for the 11 Mile Road Pathways
(Town Center to Meadowbrook) Project is authorized:

	INCREASE (DECREASE)
MAJOR STREET FUND	
REVENUES	
Transfers In	18,000
TOTAL REVENUES	<u>\$ 18,000</u>
APPROPRIATIONS	
Capital Outlay	73,050
TOTAL APPROPRIATIONS	<u>\$ 73,050</u>
Net Increase (Decrease) to Fund Balance	<u>\$ (55,050)</u>
MUNICIPAL STREET FUND	
APPROPRIATIONS	
Transfers Out	18,000
TOTAL APPROPRIATIONS	<u>\$ 18,000</u>
Net Increase (Decrease) to Fund Balance	<u>\$ (18,000)</u>

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 July 27, 2015

Maryanne Cornelius
City Clerk

MAJOR STREET FUND

Projected Ending Fund Balance, June 30, 2014		\$	420,353
Favorable variance, including rollover items			<u>176,149</u>
Beginning Fund Balance, July 1, 2014		\$	596,502
2015-4 Amended Revenue as of Council Meeting 06/08/2015	3,261,900		
4th QTR Budget Amendment	<u>155,700</u>		
Amended Revenue as of Council Meeting 06/22/2015			3,417,600
2015-4 Amended Expenditures as of Council Meeting 06/08/2015	3,252,533		
4th QTR Budget Amendment	<u>155,700</u>		
Amended Expenditures as of Council Meeting 06/22/2015			<u>3,408,233</u>
Revenues over (under) Expenditures			<u>9,367</u>
Estimated Ending Fund Balance, June 30, 2015		\$	<u>605,869</u>

Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :	17.8%
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Estimated Ending Fund Balance, June 30, 2015		\$	605,869
Revenues			
Adopted FY 2015-16 Revenues			5,883,300
Proposed Amendment - Contingency (Transfer In from Municipal Street Fund)			750,000
Expenditures			
Adopted FY 2015-16 Expenditures			5,882,927
Proposed Amendment - Contingency			<u>663,130</u>
Revenues over (under) Expenditures			<u>87,243</u>
Estimated Ending Fund Balance, June 30, 2016		\$	<u>693,112</u>

Estimated Ending Fund Balance, June 30, 2016, as a % of budgeted expenditures :	10.6%
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Reduction to Fund Balance	7.2%
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MUNICIPAL STREET FUND

Projected Ending Fund Balance, June 30, 2014		\$ 728,680
Favorable variance, including rollover items		<u>3,200,429</u>
Beginning Fund Balance, July 1, 2014		\$ 3,929,109
2015-4 Amended Revenue as of Council Meeting 06/08/2015	5,583,367	
2015-4 4th QTR Budget Amendment	<u>5,700</u>	
Amended Revenue as of Council Meeting 06/22/2015		5,589,067
2015-4 Amended Expenditures as of Council Meeting 06/08/2015	5,610,978	
2015-4 4th QTR Budget Amendment	<u>291,820</u>	
Amended Expenditures as of Council Meeting 06/22/2015		<u>5,902,798</u>
Revenues over (under) Expenditures		<u>(313,731)</u>
Estimated Ending Fund Balance, June 30, 2015		<u>\$ 3,615,378</u>

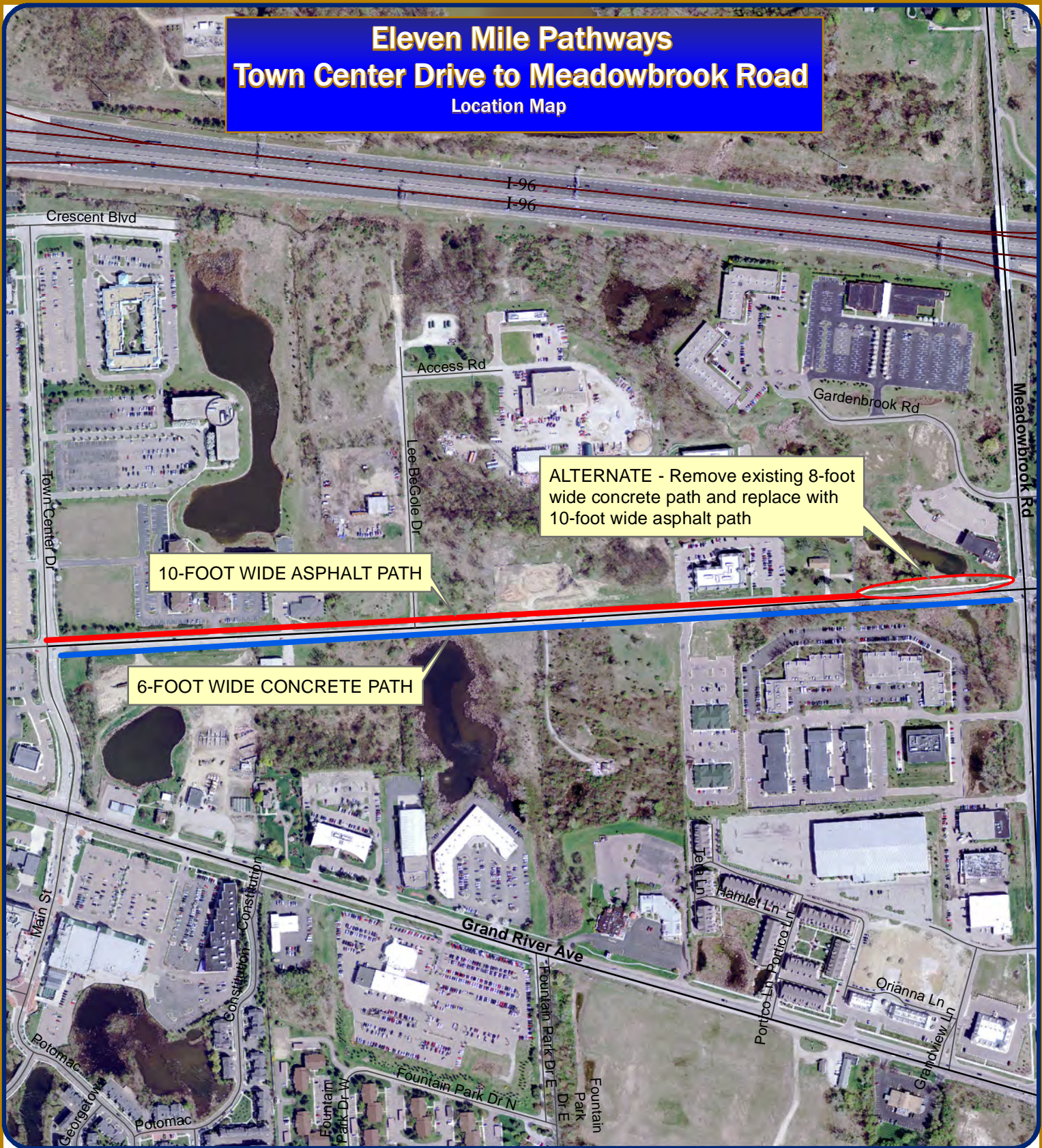
Estimated Ending Fund Balance, June 30, 2015, as a % of budgeted expenditures :	61.2%
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Estimated Ending Fund Balance, June 30, 2015		\$ 3,615,378
Revenues		
Adopted FY 2015-16 Revenues		5,167,755
Expenditures		
Adopted FY 2015-16 Expenditures		6,884,687
11 Mile Road Pathways (Town Center to Meadowbrook) Project - construction		116,000
11 Mile Road Pathways (Town Center to Meadowbrook) Project - engineering		18,000
Haggerty Road Lane Gap Project		33,000
Proposed Amendment - Contingency		180,455
Proposed Amendment - Contingency (Transfer to Major Street Fund)		<u>750,000</u>
Revenues over (under) Expenditures		<u>(2,814,387)</u>
Estimated Ending Fund Balance, June 30, 2016		<u>\$ 800,991</u>

Estimated Ending Fund Balance, June 30, 2016, as a % of budgeted expenditures :	10.0%
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Reduction to Fund Balance	51.2%
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Eleven Mile Pathways Town Center Drive to Meadowbrook Road Location Map

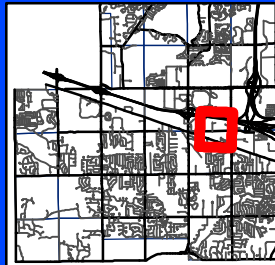


Map Author: Croy
Date: 7/17/15
Project: 11 Mile Pathways
Version #: v1.0



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 232 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
26300 Lee BeGole Drive
Novi, MI 48375
cityofnovi.org

**FIRST AMENDMENT TO THE
SUPPLEMENTAL PROFESSIONAL ENGINEERING SERVICES AGREEMENT**

**ELEVEN MILE PATHWAYS – TOWN CENTER TO MEADOWBROOK
(Originally titled Eleven Mile Reconstruction)**

Second Amended Agreement between the City of Novi, 45175 W. Ten Mile Road, Novi, MI 48375-3024, hereafter, “City,” and URS Corporation – Great Lakes., whose address is 27777 Franklin Road, Suite 2000, Southfield, MI 48034, hereafter, “Consultant.” relating to modifications of the fee basis for engineering services. The following sections of the Supplemental Professional Engineering Services Agreement, as made and entered into on January 21, 2014 shall be amended as follows:

Section 2. Payment for Professional Engineering Services, The following Paragraphs shall be amended as follows:

1. Basic Fee.

- a. *Unchanged*
- b. *Unchanged*
- c. The Consultant shall complete the construction phase services for Eleven Mile Pathways as described herein according to the fee schedule as described below:
 - i. Contract Administration: The Consultant shall complete Contract Administration services for a lump sum fee of \$32,189.63, which is 6.5% of the awarded construction cost (\$495,225.12 – Base Bid plus Alternate 1) as indicated on the Design and Construction Engineering Fee Curve.
 - ii. Construction Inspection: The Consultant shall complete Construction Inspection services for \$640 per crew day as described in the request for proposals. “Crew days” shall be defined by the construction contract documents as an 8 hour day. Crew days shall be billed in 4 hour increments rounded to the next half day, therefore a 10 hour day shall be 1.5 crew days, a 3 hour day is 0.5 crew days, a 6 hour day shall be 1.0 crew days. The minimum crew day charged for a no-show by the contractor shall be 2 hours (0.25 crew days) which is reflective of the actual cost to the Consultant for traveling to the site and traveling back to the office. There will be no payment to the consultant for extra crew days that were not charged to the contractor. The Consultant acknowledges that intent of using crew days for inspection services is to provide a method for the consultant to recoup costs associated with slow progress by the contractor.

2. *Unchanged*

Except as specifically set forth in this First Amendment, the Supplemental Professional Engineering Services Agreement remains in full force and effect.

WITNESSES

URS Corporation—Great Lakes

By:
Its:

The foregoing _____ was acknowledged before me this ____ day of _____,
20____, by _____ on behalf of _____.

Notary Public
_____ County, Michigan
My Commission Expires: _____

WITNESSES

CITY OF NOVI

By: Robert J. Gatt
Its: Mayor

The foregoing _____ was acknowledged before me this ____ day of _____,
20____, by _____ on behalf of the City of Novi.

Notary Public
Oakland County, Michigan
My Commission Expires: _____