

MEMORANDUM



TO: CONSULTANT REVIEW COMMITTEE
FROM: JEFFREY HERCZEG, DIRECTOR OF PUBLIC WORKS
SUBJECT: PRIVATE CIVIL ENGINEERING CONSULTANT SERVICES
CONTRACT EXTENSION
DATE: APRIL 26, 2022

The City uses one pre-qualified consultant, under a fee schedule, to provide professional engineering and planning services for private projects. The review and inspection services provided by these consultants are necessary to ensure compliance of private development with City engineering and planning standards. The current agreement for private projects that was awarded on December 18, 2017, to Spalding DeDecker will expire on December 18, 2022.

With today's economic uncertainty regarding services and their related costs, staff recommends taking advantage of the existing agreement with this firm. The Novi-specific knowledge and experience this firm has gained over the last 10 years provides a tremendous benefit to staff members who interact with them daily. Therefore, the Engineering Division approached Spalding DeDecker with a proposal to extend their current contract for another five years (or December 18, 2027).

This proposal was initiated by offering Spalding DeDecker the opportunity to revisit the current 2017-2022 Fee Schedule (attached as Attachment A) and provide updated fixed percentages and costs as it reasonably relates to current conditions and inflation rates.

A comparison analysis between the current (2017) and proposed (2022) fee schedules is provided in Exhibit A. As can be seen in the "Percent Change Fee" column, all increases in fees are within the expected range and are considered normal for increases since 2017. Some of the increases are substantial by percentage, but the substantial increases are typically concentrated on the lowest cost – or lesser used – reviews or inspections in each category of the schedule. Indeed, many line items on the schedule, such as violation work, court testimonies, irregular spot inspections, and engineering plan reviews are hardly, if ever, used.

Exhibit A also shows minimum fees. All increases in minimum fees are within the expected range and are considered normal for increases since 2017. One notable increase is the amount of money collected by the consultant for "Private Improvement Inspection" which increased to \$3,500 from \$300. This is to bring this minimum up to par with the lowest-tier 2022 minimum fee proposed for the related "Utilities/Roads Construction Cost" inspections.

We are addressing the extension early to provide staff sufficient time to go back out publicly with a new *Request for Qualifications and Proposals* prior to expiration, should that be the Committee's direction. It is the opinion of the Department of Public Works that this consulting firm is the best and most capable to provide sound engineering and planning review and inspection services for the City of Novi, at very reasonable rates. Staff recommends the revised common fee schedule for the pre-qualified consultant as shown in Attachment A.

Please let us know if there are any questions or if you require additional information for consideration.



ATTACHMENT A

FEE DETERMINATION FORM

City of Novi, Michigan

<u>Description</u>	<u>Fee</u>	<u>Unit/Rate</u>
Land Improvement Review		
Residential (Plot Plans)		
Review	\$ 130	Lump sum
Each review for Builder initiated change	\$ 130	Lump sum
Footing inspection and one re-inspection	\$ 130	Lump sum
Additional footing inspection (after second)	\$ 100	Per Inspection
Final grade inspection	\$ 185	Lump sum
Additional final grade inspection	\$ 130	Per Inspection
Minor Land Improvement		
Review	\$ 100	Lump sum
Inspection	\$ 100	Lump sum
Construction Inspection and Acceptance Document Management & Review (Fixed Fee % of Construction Cost to include initial Pre-construction and TCO preparation meetings; ROW, Detention Basin and Site Amenities inspections, reporting and follow-up)		
(1) * Utilities/Roads (construction cost < or = \$50,000)	% 13.5	Min. Fee \$ 3500
(2) * Utilities/Roads (construction cost \$50,001 to \$100,000)	% 10.5	Min. Fee \$ 6250
(3) * Utilities/Roads (construction cost \$100,001 to \$300,000)	% 6	Min. Fee \$ 8250
(4) * Utilities/Roads (construction cost > \$300,001)	% 4	Min. Fee \$ 19000
(5) Private Improvement Inspection (grading, storm facilities, site amenities, on-site paving)	% 3.5	Min. Fee \$ 3500
(6) Additional Pre-Construction meetings	\$ 380	Lump sum
(7) Additional Occupancy Inspections (after 1 st verification of punchlist)	\$ 350	Per Inspection
* = fee to be based on sanitary sewer, storm sewer, water main and paving calculated separately. See fee sheet in Appendix A-1 for clarification.		
Record Drawing Preparation (As-built prepared by consultant) (Fixed Fee % of Construction Cost to include Maintenance Bond inspections)		
Utilities/Roads captured on As-built drawings	% 4	Min. Fee \$ 3000
Soil Erosion and Sedimentation Control Review and Inspections (Refer to "Inspection Fee Escrow Determination" form attached as Appendix A-4)		
(1) Soil Erosion Control Permit Application Review for Site Plans (including two re-reviews)	\$ 40/acre	Min. Fee \$ 300
(2) Additional Soil Erosion Control Permit Application Review for Site Plans (after third)	\$ 100	Per Review
(3) Site Plan Soil Erosion Control Inspection, if disturbed area is less than 5 acres	\$ 140	Per Inspection
(4) Site Plan Soil Erosion Control Inspection, if disturbed area is 5 acres through 15 acres	\$ 160	Per Inspection
(5) Site Plan Soil Erosion Control Inspection, if disturbed area is greater than 15 acres	\$ 220	Per Inspection

Fee Determination Continued

(6)	Review and one inspection for Residential Land Improvements	\$ 200	Lump sum
(7)	Violation work involving inspection, report and follow-up	\$ 130	Hourly
(8)	Citation work involving inspection report, follow-up, Ordinance Enforcement office meeting and court appearance	\$ 130	Hourly

Planning Document Review (Design and Construction Inspection)

(1)	Master Deed Exhibit B	\$ 25/acre	Min. Fee \$ 600
(2)	Legal Document Exhibits (including one re-review)	\$ 600	Lump sum
(3)	Additional Legal Document Exhibits review (after second)	\$ 125	Per Review

Court Testimony – Fee to be invoiced monthly for actual time expended \$ 175 Hourly

Preliminary Engineering Plan Review – (Includes Administration and Review)

Less than 15 Acres	\$ 40/acre	Min. Fee \$400
Greater than 15 Acres	\$ 30/acre	Min. Fee \$550

Final Engineering Plan Review – (Includes Administration and Review)

Less than 15 Acres	\$ 190/acre	Min. Fee \$500
Greater than 15 Acres	\$ 175/acre	Min. Fee \$500

Minor Engineering (Design and Construction Inspection)

(1)	Studies and reviews (e.g., culvert design)	\$ 100	Hourly
(2)	Inspection (spot) for non-site planned or linear projects (e.g., Franchised Utility projects)	\$ 100	Hourly
(3)	Completion Agreement Inspection	\$ 100	Hourly

Flood Plain Review (may include one (1) inspection for field verification purposes)

(1)	Major Floodplain Use Permit	\$ 3000	Lump sum
(2)	Minor Floodplain Use Permit	\$ 350	Lump sum
(3)	Individual Residential Floodplain Use Permit	\$ 350	Lump sum
(4)	Additional Flood Plain Services (e.g., meetings, CRS updating)	\$ 170	Hourly

I hereby certify that the information provided above is correct to best of my ability and will remain valid for a period of One Hundred and Twenty (120) days from the date of receipt by the City of Novi.

Firm Name

Authorized Representative – Printed Name

Authorized Representative - Signature

Date of Signature

Exhibit A
Fee Comparision 2017 to 2022
 Spalding DeDecker-Private Engineering Consultant

Land Improvement Review	2017 Fee	2022 Fee	Unit/Rate	Percent change
Residential Plot Plans	\$ 110.00	\$ 130.00	Lump Sum	18.2%
Each Review for Builder initiaged change	\$ 100.00	\$ 130.00	Lump Sum	30%
Footing inspection and one re-inspection	\$ 130.00	\$ 130.00	Lump Sum	0%
Additional footing inspection (after second)	\$ 100.00	\$ 100.00	Per Inspection	0%
Final grade inspection	\$ 185.00	\$ 185.00	Lump Sum	0%
Additional final grade inspection	\$ 130.00	\$ 130.00	Per Inspection	0%
Minor Land Improvement				
Review	\$ 70.00	\$ 100.00	Lump Sum	43%
Inspection	\$ 70.00	\$ 100.00	Lump Sum	43%

Soil Erosion and Sedimentation Control Review and Inspections

(Refer to “Inspection Fee Escrow Determination” form attached as Appendix A-4)

	2017 Fee	2022 Fee	Percent Change	Min Fee
Soil Erosion Control Permit Application Review for Site Plans (including two re-reviews) *price per acre	\$ 40.00	\$ 40.00	0%	\$300.00 *no change
Additional Soil Erosion Control Permit Application Review for Site Plans (after third review)□	\$ 100.00	\$ 100.00	0%	
Site Plan Soil Erosion Control Inspection				
Less than 5 acres	\$ 125.00	\$ 140.00	12%	
5 acres to 15 acres	\$ 145.00	\$ 160.00	10%	
Greater than 15 acres	\$ 220.00	\$ 220.00	0%	
Review and one inspection for Residential Land Improvements	\$ 135.00	\$ 200.00	48%	
Violation work involving inspection, report and follow-up	\$ 70.00	\$ 130.00	86%	
Citation work involving inspection report, follow-up, Ordinance Enforcement office meeting and court appearance	\$ 110.00	\$ 130.00	18%	

Exhibit A
Fee Comparision 2017 to 2022
 Spalding DeDecker-Private Engineering Consultant

Construction Inspection and Acceptance Document Management & Review

(Fixed Fee % of Construction Cost to include initial Pre-construction and TCO preparation meetings; ROW, Detention Basin and Site Amenities inspections, reporting and follow-up)

	2017 Fee	2022 Fee	Minimum Fee 2017	Minimum Fee 2022	Percent Change	Percent Change Minimum Fee
Utilities/Roads Construction Cost: < or = \$50,000	11%	13.5%	\$ 2,050.00	\$ 3,500.00	23%	71%
\$50,001 to \$100,000	9%	10.5%	\$ 5,250.00	\$ 6,250.00	17%	19%
\$100,001 to \$300,000	6%	6%	\$ 8,250.00	\$ 8,250.00	0%	0%
> \$300,001	4%	4%	\$ 19,000.00	\$ 19,000.00	0%	0%
Private Improvement Inspection (grading, storm facilities, site amenities, on-site paving)□	2.5%	3.5%	\$ 300.00	\$ 3,500.00	40%	1067%
Additional Pre-Construction meetings	\$ 380.00	\$ 380.00			0%	
Additional Occupancy Inspections (after 1st verification of punchlist)□	\$ 200.00	\$ 350.00			75%	

* fee to be based on sanitary sewer, storm sewer, water main and paving calculated separately. See fee sheet in Appendix A-1 for clarification.

Minor Engineering (Design & Construction Inspection)	2017 Fee	2022 Fee	Unit/Rate	Percent Change
Studies and reviews (e.g., culvert design)	\$ 95.00	\$ 100.00	hourly	5%
Inspection (spot) for non-site planned or linear projects	\$ 75.00	\$ 100.00	hourly	33%
Completion Agreement Inspection	\$ 100.00	\$ 100.00	hourly	0%

Flood Plain Review (may include one (1) inspection for field verification purposes)

Major Floodplain Use Permit	\$ 2,500.00	\$ 3,000.00	Lump Sum	20%
Minor Floodplain Use Permit	\$ 300.00	\$ 350.00	Lump Sum	17%
Individual Residential Floodplain Use Permit	\$ 300.00	\$ 350.00	Lump Sum	17%
Additional Flood Plain Services (meetings, CRS updating)	\$ 105.00	\$ 170.00	Lump Sum	62%

Exhibit A
Fee Comparision 2017 to 2022
 Spalding DeDecker-Private Engineering Consultant

Record Drawing Preparation

As-built prepared by consultant (Fixed Fee % of Construction Cost to include Maintenance Bond inspections)

	2017 Fee	2022 Fee	Minimum Fee 2017	Minimum Fee 2022	Percent Change	Change Minimum Fee
Utilities/Roads captured on As-built drawings	2.5%	4%	\$ 2,000.00	\$ 3,000.00	60%	50%

Planning Document Review (Design and Construction Inspection)

	2017 Fee	2022 Fee	Min Fee 2017	Min Fee 2022	Percent Change Fee	Percent change minimum fee
Master Deed Exhibit B (price per acre)	\$ 25.00	\$ 25.00	\$ 500.00	\$ 600.00	0%	20%
Legal Document Exhibits- including one re-review (lump sum)	\$ 450.00	\$ 600.00			33%	
Additional Legal Document Exhibits reviews (per Review)	\$ 100.00	\$ 125.00			25%	
Court Testimony – Hourly for time expended	\$ 145.00	\$ 175.00			21%	

Preliminary Engineering Plan Review – (Includes Administration and Review)

Less than 15 Acres (price per acre)	\$ 35.00	\$ 40.00	\$ 400.00	\$ 400.00	14%	0%
Greater than 15 Acres (price per acre)	\$ 26.00	\$ 30.00	\$ 550.00	\$ 550.00	15%	0%

Final Engineering Plan Review – (Includes Administration and Review)

Less than 15 Acres (price per acre)	\$ 190.00	\$ 190.00	\$ 500.00	\$ 500.00	0%	0%
Greater than 15 Acres (price per acre)	\$ 175.00	\$ 175.00	\$ 500.00	\$ 500.00	0%	0%

APPENDIX A-1

(A 10% administrative charge will be assessed on all construction inspection fees)



**CITY OF NOVI
Engineering
CONSTRUCTION INSPECTION FEE SCHEDULE**

CONSTRUCTION INSPECTION FEES

Inspection Category	Total Estimated Cost of Improvement Category	Fee Basis	Total Estimated Cost of Improvement Category	Fee Basis	Total Estimated Cost of Improvement Category	Fee Basis	Total Estimated Cost of Improvement Category	Fee Basis
A. Sanitary Sewer including mains, leads, structures, appurtenances, force main, pump station, grease interceptor	\$0 - \$50,000		\$50,001 - \$100,000		\$100,001 - \$300,000		\$300,001 +	
B. Storm Sewer (excluding detention basin) including mains, leads, structures, appurtenances, force main, pump station, oil/gas separator	\$0 - \$50,000	% of estimated cost of improvements as reviewed by Engineering (minimum fee \$)	\$50,001 - \$100,000	% of estimated cost of improvements as reviewed by Engineering (minimum fee \$)	\$100,001 - \$300,000	% of estimated cost of improvements as reviewed by Engineering (minimum fee \$)	\$300,001 +	% of estimated cost of improvements as reviewed by Engineering (minimum fee \$)
C. Water Main including mains, structures, appurtenances, fire leads, non-residential domestic leads, hydrants	\$0 - \$50,000		\$50,001 - \$100,000		\$100,001 - \$300,000		\$300,001 +	
D. Paving & Curbing in any Public R.O.W.	\$0 - \$50,000		\$50,001 - \$100,000		\$100,001 - \$300,000		\$300,001 +	

**APPENDIX A-4 – SOIL EROSION AND SEDIMENTATION CONTROL
INSPECTION FEE ESCROW DETERMINATION**

SITE PLAN:

1. **Number of inspections:** Escrow amount is based on Soil Erosion Risk Classification and Inspection Frequency Schedule, (see table below) **PLUS** one inspection after six estimated storm events per year (+6). Any amount that is not used for inspection will be returned to the applicant at the time the permit is closed.

Risk Classification from Table Below:

+ Total Estimated Time of Earth Disruption (weeks) from Item 19:		52	weeks
÷ Frequency of Inspection (see table below based on class):	1 inspection /		weeks
+ 6 estimated inspection following storm events:		6	
= TOTAL NUMBER OF INSPECTIONS (round up)		#VALUE!	

2. **Inspection Fee:** To determine inspection fee, please use the table listed below:

Disrupted area from Item No. 9:

If disrupted area (item no. 9) is less than 5 acres = \$ - /inspection

If disrupted area (item no. 9) is 5 acres through 15 acres = \$ - /inspection

If disrupted area (item no. 9) is greater than 15 acres = \$ - /inspection

3. **Inspection Fee Escrow: (\$700 minimum)**

Number of inspections:	#VALUE!	x Fee per inspection:	\$ -	
	SUBTOTAL:		#VALUE!	
	+15% City Administration Fee:		#VALUE!	
	TOTAL FEE ESCROW:	=	#VALUE!	

INSPECTION FREQUENCY TABLE

Risk Classification	Site Description	Regular Minimum Inspection Frequency *
High – Class I	<ul style="list-style-type: none"> Project adjacent to a lake, stream, or wetland with direct storm water discharge towards these waters. Any part of a project located within 500' of a body of water. Any project in which the same applicant has received a stop work order within the previous 24 months from the City of Novi or any other Michigan Building Official after proper hearing before the Building Official. 	2 weeks
Medium – Class II	<ul style="list-style-type: none"> Project collecting and discharging storm water runoff to a temporary sedimentation or a detention control basin with an outlet structure, <u>not</u> located within 500' of a body of water. 	3 weeks
Low – Class III	<ul style="list-style-type: none"> Minor land improvements: additions, decks, etc. and/or no direct discharge towards open waters. 	4 weeks

* Significant rainfall events will trigger additional site inspections, on an as-needed basis. As part of the application process, the applicant is to provide an estimate of the number of weeks the project is expected to remain unstable and needing soil erosion and sedimentation control inspections. Regular minimum