



CITY of NOVI CITY COUNCIL

Agenda Item 1
December 21, 2015

SUBJECT: Approval of the final payment to Highway Maintenance and Construction, Inc. for the 2014 Chip Seal project in the amount of \$9,531.92, plus interest earned on retainage.

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

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 9,531.92
AMOUNT BUDGETED	\$ 254,605.00
LINE ITEM NUMBER	203-203.00-866.500

BACKGROUND INFORMATION:

An asset management plan was developed in 2013 for the City's 6.7 miles of streets that have a chip sealed surface treatment. (Chip sealing is the application of an asphalt emulsion to seal the road's surface, followed by placement and compaction of small diameter crushed gravel). The report identified \$806,200 of capital improvements necessary to improve and maintain the chip seal streets in good condition. An investment of \$200,000 per year was recommended beginning with 2014.

The scope of the 2014 Chip Seal Program included capital preventative maintenance (CPM), such as drainage improvements, base repair and new chip seal on the following streets (see attached map):

- Buffington
- Henning
- Pembine
- Summit Ct.
- Summit Dr.
- Crown
- Pleasant Cove Dr.
- Shamrock Hill
- Shawood

The construction contract was awarded for this project at the August 11, 2014 City Council meeting to Highway Maintenance and Construction, Inc., in the amount of \$250,630.

Engineering staff worked with the engineering consultant for this project, URS Corporation, to review and verify the final contract payment amount of \$9,531.92 that is due the contractor (Final Pay Estimate No. 3, attached). The City Attorney reviewed the documentation and found it to be in an acceptable form (Beth Saarela's December 7, 2015 letter, attached).

There were four (4) approved change orders issued for this project resulting in a net decrease of \$80,899.11 to the construction contract, or 32.3% under the awarded amount. The approved change orders resulted in a final contract price of \$169,730.89.

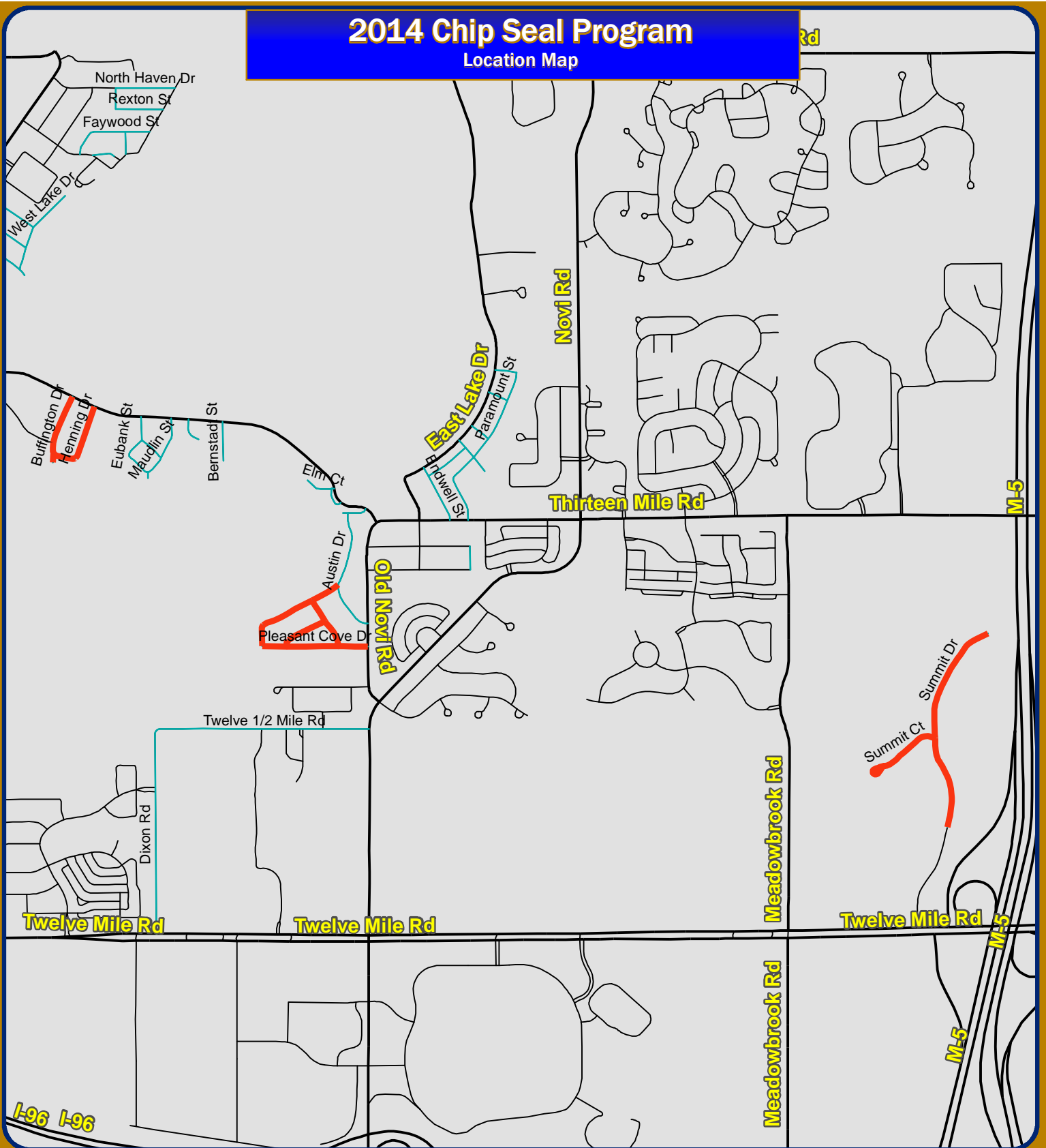
RECOMMENDED ACTION: Approval of the final payment to Highway Maintenance and Construction, Inc. for the 2014 Chip Seal project in the amount of \$9,531.92, plus interest earned on retainage.

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

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

2014 Chip Seal Program

Location Map



Map Author: Croy
 Date: 12/6/13
 Project: 2014 Chip Seal
 Version #: v3.0



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 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

Legend

Chip Seal Streets

2014 Chip Seal Program



City of Novi
 Engineering Division
 Department of Public Services
 26300 Lee BeGole Drive
 Novi, MI 48375
cityofnovi.org



1 inch = 1,650 feet



JOHNSON ROSATI SCHULTZ JOPPICH PC

27555 Executive Drive Suite 250 ~ Farmington Hills, Michigan 48331

Phone: 248.489.4100 | Fax: 248.489.1726

Elizabeth Kudla Saarela
esaarela@jrsjlaw.com

www.jrsjlaw.com

December 7, 2015

Aaron Staup, Engineering Coordinator
CITY OF NOVI
Department of Public Services
Field Services Complex
26300 Lee BeGole Drive
Novi, MI 48375

**Re: 2014 Chip Seal – Highway Maintenance and Construction, Inc.
*Closing Documents***

Dear Mr. Staup:

We have received and reviewed closing documents for the 2014 Chip Seal Project:

1. Application for Final Payment
2. Contractor's Sworn Statement
3. Consent of Surety
4. Waivers of Lien

The existing Maintenance and Guarantee Bond is adequate based on the final contract amount. Subject to approval of the Application for Final Payment by appropriate City staff, the closing documents appear to be in order.

Please feel free to contact me with any questions or concerns in regard to this matter.

Very truly yours,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.

Elizabeth Kudla Saarela

Aaron Staup, Construction Engineering Coordinator
December 7, 2015
Page 2

EKS
Enclosures

C: Maryanne Cornelius, Clerk (w/Enclosures)
Rob Hayes, Public Services Director (w/Enclosures)
Carl Johnson, Finance Director/Chief Financial Officer (w/Enclosures)
Brian Coburn, Engineering Manager (w/Enclosures)
Mark Koskinen, URS Corporation/AECOM (w/Enclosures)
Thomas R. Schultz, Esquire (w/Enclosures)



CITY OF NOVI

Balance Due This Payment = \$ 9,531.92

26300 Lee BeGole Dr.
 Novi, Michigan 48375
 Tel: (248) 347-0454
 Fax: (248) 735-5659

APPLICATION FOR FINAL PAYMENT

PROJECT: 2014 Chip Seal Program	NOVI PROJECT NO.: 14-2201	PAYMENT NO.: FINAL
OWNER: City of Novi 45175 W. Ten Mile Road Novi, Michigan 48375	ENGINEER: URS Corporation 27777 Franklin Road, Suite 2000 Southfield, Michigan 48034 (248) 204-5900	CONTRACTOR: Highway Maintenance Company 12101 Wahrman Romulus, Michigan 48174 (734) 941-8885
CONTRACT AMOUNT	FINAL COMPLETION DATES	DATES OF ESTIMATE
ORIGINAL: \$250,630.00	ORIGINAL: November 3, 2014	FROM: October 29, 2015
REVISED: \$169,730.89	REVISED: June 1, 2015	TO: October 29, 2015
	ACTUAL: June 1, 2015	

SECTION 1.

COST OF COMPLETED WORK TO DATE

Item No.	Description of Item	Unit	CONTRACT ITEMS (Original)			CONTRACT ITEMS (Revised)			THIS PERIOD			TOTAL TO DATE		
			Quantity	Cost/Unit	Total Amt	Quantity	Cost/Unit	Total Amt	Quantity	Amount	%	Quantity	Amount	%
0	Constr. Inspection "Crew Day"	CD	16.00	\$ 640.00	\$ 10,240.00	16.00	\$ 640.00	\$ 10,240.00				16.00	\$ 10,240.00	100%
1	Maintaining Traffic	LS	1.00	\$ 8,000.00	\$ 8,000.00	1.00	\$ 8,000.00	\$ 8,000.00				1.00	\$ 8,000.00	100%
2	Erosion Control, Silt Fence	LF	3000.00	\$ 5.10	\$ 15,300.00	0.00	\$ 5.10	\$ -				0.00		
3	Erosion Control, Inlet Protection	EA	2.00	\$ 250.00	\$ 500.00	0.00	\$ 250.00	\$ -				0.00		
4	Ditching	LF	2500.00	\$ 36.00	\$ 90,000.00	0.00	\$ 36.00	\$ -				0.00		
5	Dr. Structure Cover, Adj, Case 2	EA	2.00	\$ 1,450.00	\$ 2,900.00	0.00	\$ 1,450.00	\$ -				0.00		
6	Reconstruct Drainage Structure	VF	4.00	\$ 775.00	\$ 3,100.00	0.00	\$ 775.00	\$ -				0.00		
7	Point-Up Drainage Structure	EA	2.00	\$ 150.00	\$ 300.00	0.00	\$ 150.00	\$ -				0.00		
8	Seal, Single Chip	SY	20000.00	\$ 2.71	\$ 54,200.00	20342.80	\$ 2.71	\$ 55,128.99	342.80	\$ 928.99	2%	20342.80	\$ 55,128.99	100%
9	Seal, Single Chip, Patching	SY	5010.00	\$ 3.00	\$ 15,030.00	4136.00	\$ 3.00	\$ 12,408.00				4136.00	\$ 12,408.00	100%
10	Seal, Fog	SY	20000.00	\$ 0.50	\$ 10,000.00	20342.80	\$ 0.50	\$ 10,171.40	342.80	\$ 171.40	2%	20342.80	\$ 10,171.40	100%
11	Hand Patching	TON	30.00	\$ 300.00	\$ 9,000.00	0.00	\$ 300.00	\$ -				0.00		
12	HMA, 4C	TON	272.00	\$ 150.00	\$ 40,800.00	480.55	\$ 150.00	\$ 72,082.50				480.55	\$ 72,082.50	100%
13	Aggregate Base	TON	5.00	\$ 300.00	\$ 1,500.00	0.00	\$ 300.00	\$ -				0.00		
TOTAL THIS SHEET					\$ 250,630.00			\$ 157,790.89	\$ 1,100.39			\$ 157,790.89	100%	



CITY OF NOVI

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 Novi, Michigan 48375
 Tel: (248) 347-0454
 Fax: (248) 735-5659

APPLICATION FOR FINAL PAYMENT

PROJECT: 2014 Chip Seal Program

NOVI PROJECT NO.: 14-2201

PAYMENT NO.: FINAL

NEW CONTRACT ITEMS

SECTION 1.

COST OF COMPLETED WORK TO DATE

Item No.	Description of Item	Unit	Division	GL#	NEW CONTRACT ITEMS			THIS PERIOD			TOTAL TO DATE		
					Quantity	Cost/Unit	Total Amt	Quantity	Amount	%	Quantity	Amount	%
14	Hand Patching (Revised)	TON	0	0	31.00	\$ 290.00	\$ 8,990.00				31.00	\$ 8,990.00	100%
15	Aggregate Base (Revised)	TON	0	0	15.00	\$ 150.00	\$ 2,250.00				15.00	\$ 2,250.00	100%
16	Aggregate 1x3, rip rap	LS	0	0	1.00	\$ 700.00	\$ 700.00				1.00	\$ 700.00	100%
17			0	0	0.00	\$ -	\$ -				0.00	\$ -	
18			0	0	0.00	\$ -	\$ -				0.00	\$ -	
19			0	0	0.00	\$ -	\$ -				0.00	\$ -	
20			0	0	0.00	\$ -	\$ -				0.00	\$ -	
21			0	0	0.00	\$ -	\$ -				0.00	\$ -	
22			0	0	0.00	\$ -	\$ -				0.00	\$ -	
23			0	0	0.00	\$ -	\$ -				0.00	\$ -	
24			0	0	0.00	\$ -	\$ -				0.00	\$ -	
25			0	0	0.00	\$ -	\$ -				0.00	\$ -	
26			0	0	0.00	\$ -	\$ -				0.00	\$ -	
27			0	0	0.00	\$ -	\$ -				0.00	\$ -	
28			0	0	0.00	\$ -	\$ -				0.00	\$ -	
29			0	0	0.00	\$ -	\$ -				0.00	\$ -	
30			0	0	0.00	\$ -	\$ -				0.00	\$ -	
31			0	0	0.00	\$ -	\$ -				0.00	\$ -	
32			0	0	0.00	\$ -	\$ -				0.00	\$ -	
33			0	0	0.00	\$ -	\$ -				0.00	\$ -	
34			0	0	0.00	\$ -	\$ -				0.00	\$ -	
35			0	0	0.00	\$ -	\$ -				0.00	\$ -	
36			0	0	0.00	\$ -	\$ -				0.00	\$ -	
37			0	0	0.00	\$ -	\$ -				0.00	\$ -	
38			0	0	0.00	\$ -	\$ -				0.00	\$ -	
39			0	0	0.00	\$ -	\$ -				0.00	\$ -	
40			0	0	0.00	\$ -	\$ -				0.00	\$ -	
41			0	0	0.00	\$ -	\$ -				0.00	\$ -	

TOTAL FROM THIS SHEET			\$ 11,940.00	\$ -	\$ 11,940.00
TOTAL FROM OTHER SHEETS	\$ 250,630.00		\$ 157,790.89	\$ 1,100.39	\$ 157,790.89
GRAND TOTAL	\$ 250,630.00		\$ 169,730.89	\$ 1,100.39	\$ 169,730.89 100%



CITY OF NOVI

28300 Lee BeGale Dr.
Novi, Michigan 48375
Tel: (248) 347-0454
Fax: (248) 735-5659

Section 3.

APPLICATION FOR FINAL PAYMENT

PROJECT: 2014 Chip Seal Program

NOVI PROJECT NO.: 14-2201

PAYMENT NO.: FINAL

The undersigned CONTRACTOR certifies that: (1) Any previous progress payments received from OWNER on amount of Work done under the Contract referred to above have been applied to discharge in full all obligations of CONTRACTOR incurred in connection with Work covered by prior Applications for Payment; (2) title to all Work, materials, and equipment incorporated in said Work of otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all liens, claims, security interest, and encumbrances (except such as are covered by Bond acceptable to OWNER indemnifying OWNER against any such lien, claim security interest, or encumbrance); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and not defective as that term is defined in the Contract Documents.

Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

CITY OF NOVI

By: Aaron J. Staup
Aaron J. Staup, Construction Engineering Coordinator

Dated: 12/8/15

Highway Maintenance Company
Contractor Company

Date: 11/30/15

[Signature]
Contractor Authorized Signature

By: JEFFREY S. DEBEK
Print Name

By: Brian Coburn, PE, Engineering Manager

Dated: 12/8/15

URS Corporation
Consultant Firm

Date: 12-2-15

[Signature]
Consultant Authorized Signature

By: MARK KOSKIMEN
Print Name

All Full Unconditional Waivers of lien have been received from each subcontractor and/or supplier, reviewed and approved by the Consultant. Also, attached to this Final Payment is a copy of the Contractor's Sworn Statement, Consent of Surety, and a new Maintenance and Guarantee Bond (if the amount is greater than the final contract price) or a Maintenance Bond Rider covering the difference between the final contract price and the awarded amount.

**CONSENT OF SURETY
TO FINAL PAYMENT**
AIA DOCUMENT G707

(Instructions on reverse side)

OWNER _____
ARCHITECT _____
CONTRACTOR _____
SURETY _____
OTHER _____

PB02452300772

TO (OWNER)
(Name and address)

ARCHITECT'S PROJECT NO:

City Of Novi
45175 West Ten Mile Road
Novi, MI 48375

CONTRACT DATE: 8/14/2014

PROJECT:
(Name and address)
2014 Chip Seal Program Project

CONTRACTOR: HIGHWAY MAINTENANCE & CONSTRUCTION CO.
12101 Wahrman Road
Romulus, MI 48174

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the
(here insert name and address of Surety)

Philadelphia Indemnity Insurance Company
One Bala Plaza, Ste. 100
Bala Cynwyd, PA 19004

, SURETY,

on bond of
(here insert name and address of Contractor)

HIGHWAY MAINTENANCE & CONSTRUCTION CO.
12101 Wahrman Road
Romulus, MI 48174

, CONTRACTOR.

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor shall not relieve the Surety Company of
any of its obligations to

(here insert name and address of Owner)

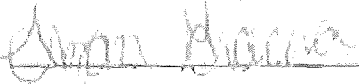
City Of Novi
45175 West Ten Mile Road
Novi, MI 48375

, OWNER,

as set forth in the said Surety Company's bond.

IN WITNESS WHEREOF, the Surety Company has hereunto set its hand this 30th day of November, 2015,
(Insert in writing the month following by the numeric date and year)

Attest
Seal



Philadelphia Indemnity Insurance Company
Surety Company

Michelle B. Graham
Signature of Authorized Representative
Michelle B. Graham, Attorney-in-Fact

PHILADELPHIA INDEMNITY INSURANCE COMPANY
231 St. Asaph's Rd., Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS That PHILADELPHIA INDEMNITY INSURANCE COMPANY (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint William J. McNish, Suzanne M. Moerst, Michelle B. Graham & Nick Ashburn of McNish Group, Inc., its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed ~~\$5,000,000.00~~.

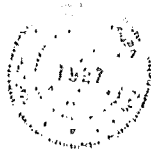
This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY at a meeting duly called the 1st day of July, 2011:

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company to: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto, and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with the respect to any bond or undertaking to which it is attached.

IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICER THIS 10TH DAY OF JUNE 2013.

(Seal)



Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 10th day of June 2013, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the PHILADELPHIA INDEMNITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.



(Notary Seal)

Notary Public: _____
residing at: Bala Cynwyd, PA
My commission expires: December 18, 2016

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and this Power of Attorney issued pursuant thereto on this 10TH day of June 2013 true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 31st day of November, 2013



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

SWORN STATEMENT

State of Michigan

County of: Wayne

Date: November 30, 2015

Highway Maintenance & Construction Co (deponent) being duly sworn deposes and says:

1. That Bowen Paving Inc. is the Contractor/Subcontractor for an improvement to the property described on the following page.
2. That the following is a statement of each subcontractor and supplier and laborer, for which the payment of wages or fringe benefits and withholdings is due but unpaid, with whom the Contractor/Subcontractor has Contracted/Subcontracted for performance under the Contract with the Owner or Lessee of the property, and that the amounts due to the persons as of the date hereof are correctly and fully set forth opposite their names as follows:

Name of Subcontractor, Supplier or Laborer	Type of Improvement Furnished	Total Contract Price	Amount Already Paid	Amount Currently Owing	Amount of Laborer Wages Due but Unpaid	Amount of Labor, Fringe Benefits & Withholdings due but Unpaid
Bowen Paving	chip seal	\$85110.55	85110.55	0	0	0

The contracts or subcontracts cited herein are for improvement to the following described real property situated in Oakland County, Michigan, described as:

(Insert legal description of property) 2014 Chip Seal Program

Commonly known as:

3. That the Contractor has not procured material from, or subcontracted with, any person other than those set forth above and owes no money for the improvement other than the sums set forth above.
4. Deponent further says that he makes the foregoing statement as the Contractor/Subcontractor or as Controller of the Contractor/Subcontractor for the purpose of representing to the owner of the above described premises and his agents that the above described property is free from claims of construction liens, or the possibility of construction liens, except as specifically set forth above and except for claims of construction liens by laborers which may be provided pursuant to Section 109 of the Construction Lien Act, Act No. 497 of the Public Acts of 1980, as amended, being Section 570.1109 of the Michigan Compiled Laws.

WARNING TO OWNER: An Owner of the above described property may not rely on this sworn statement to avoid the claim of a Subcontractor, Supplier or Laborer who has provided a Notice of Furnishing (or a Laborer who may provide a Notice of Furnishing pursuant to Section 109 of the Construction Lien Act) to the Designee or to the Owner if the Designee is not named or has died.

Dated: 11/30/2015


Signature of Deponent

WARNING TO DEPONENT: A person, who with intent to defraud, gives a false sworn statement is subject to criminal penalties as provided in Section 110 of the Construction Lien Act, Act No. 497 of the Public Acts of 1980, as amended, being Section 570.1110 of the Michigan Compiled Laws.

Subscribed and sworn to before me on: 11/30/2015 in Wayne County, Michigan


My commission expires: 07/17/2017 Signature: Rebecca R. Smith

FULL UNCONDITIONAL WAIVER

My/our contract with Highway Maintenance & Construction Co to provide
_____ for the improvement of the property
described as: 2014 ,Chip Seal Program

having been fully paid and satisfied, 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 of 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.


(signature of lien claimant)
Bowen Paving Inc Mike Bowen
Address: 1001 Cesar E Chavez Ave
Ponitac, MI 48340
Telephone: 248-332-4956

Signed on: 11/30/2015

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

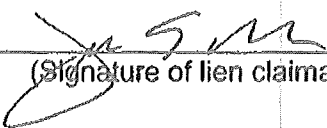
FULL UNCONDITIONAL WAIVER

My/our contract with HIGHWAY MAINTENANCE & CONSTRUCTION CO. to provide
ROAD REPAIRS for the improvement of the property described as
2014 CHIP SEAL PROGRAM

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

JEFFREY S DEMEK, PRESIDENT

(Printed Name of Lien Claimant)



(Signature of lien claimant)

Signed on: 12/03/2015

Address: 12101 WAHRMAN ST
ROMULUS, MI 48174

Telephone: 734-941-8885

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



2014 Chip Seal Program – Looking North Along Summit Drive and the Intersection of Summit Court.



2014 Chip Seal Program – Looking East Along Summit Court towards Summit Drive.



2014 Chip Seal Program – Looking East Along Pleasant Cove towards Old Novi Road.



2014 Chip Seal Program – Looking Northeast Along Shamrock Hill towards Crown Drive.



2014 Chip Seal Program – Looking South Along Crown Drive from Shawood Drive.



2014 Chip Seal Program – Looking South Along Shawood Drive at Crown Drive.



2014 Chip Seal Program – Looking North Along Henning Drive towards South Lake Drive.



2014 Chip Seal Program – Looking North Along Buffington Drive at Lilley Trail.