



CITY of NOVI CITY COUNCIL

Agenda Item K
February 26, 2018

SUBJECT: Approval of the final payment to Highway Maintenance & Construction Company for the 2017 Chip Seal Program in the amount of \$10,232.66, plus interest earned on retainage.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$ 10,232.66
AMOUNT BUDGETED	\$ 329,019.00
LINE ITEM NUMBER	203-203.00-870.017

BACKGROUND INFORMATION:

As part of the City's ongoing asset management approach to maintaining roads, a 2013 report evaluated 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 smaller diameter crushed gravel. The report identified \$806,200 of capital improvements necessary to improve and maintain the chip seal streets in good condition. This program is in its fourth year.

Along with drainage improvements and roadway base repairs, the following street segments were treated in 2017:

- 12 ½ Mile Road
- Faywood Street
- Rexton Street
- Dixon Road
- Lebenta Street
- Amis Avenue
- North Haven Drive

This project's construction contract was awarded at the July 31, 2017 City Council meeting to Highway Maintenance & Construction Company in the amount of \$219,969.85.

Engineering staff worked with the engineering consultant for this project, AECOM Great Lakes (URS Corporation Great Lakes), to review and verify the final contract payment amount of \$10,232.66 that is due the contractor (Final Pay Estimate No. 2, attached). The City Attorney reviewed the documentation and found it to be in an acceptable form (Beth Saarela, January 24, 2018).

There were two (2) approved change orders issued for this project resulting in a net decrease of \$55,399.15 from the construction contract, or 25.2% under the awarded amount. The approved change orders resulted in a final contract price of \$164,570.70.

RECOMMENDED ACTION: Approval of the final payment to Highway Maintenance & Construction Company for the 2017 Chip Seal Program in the amount of \$10,232.66, plus interest earned on retainage.

2017 Chip Seal Program

Location Map



Map Author: J. Mathias
Date: 4/17/17

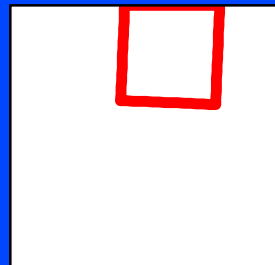
Amended By:
Date:
Department:

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 Candidates



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

Feet
0 340 680 1,360 2,040

1 inch = 1,667 feet



2017 CHIP SEAL PROGRAM



Faywood Street – Looking west



North Haven Drive – Looking east towards Walled Lake



12 ½ Mile Road – Looking west towards Dixon Road



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

January 24, 2018

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

**Re: 2017 Chip Seal Program – Highway Maintenance & Construction Co. -
Closing Documents**

Dear Mr. Staup:

We have received and reviewed closing documents for 2017 Chip Seal Program:

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

Subject to approval of the Application for Final Payment by appropriate City staff, the closing documents appear to be in order. The Maintenance Bond previously submitted with the Contract is sufficient to cover the final project cost. The General Contractor will be required to provide it is Full Unconditional Waiver of Lien at the time it receives final payment.

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

Sincerely,

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

Elizabeth K. Saarela

Aaron Staup, Construction Engineer
January 24, 2018
Page 2

Enclosures

C: Cortney Hanson, Clerk
Carl Johnson, Finance Director/Chief Financial Officer
George Melistas, Engineering Senior Manager
Mark Koskinen, AECOM
Thomas R. Schultz, Esquire



CITY OF NOVI

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

APPLICATION FOR FINAL PAYMENT

PROJECT: 2017 CHIP SEAL PROGRAM

NOVI PROJECT NO.: 17-2201

PAYMENT NO.: FINAL

NEW CONTRACT ITEMS

SECTION 1.			COST OF COMPLETED WORK TO DATE										
Item No.	Description of Item	Unit	NEW CONTRACT ITEMS		NEW CONTRACT ITEMS			THIS PERIOD			TOTAL TO DATE		
			Division	GL#	Quantity	Cost/Unit	Total Amt	Quantity	Amount	%	Quantity	Amount	%
14			0	0	0.00	\$ -	\$ -				0.00	\$ -	
15			0	0	0.00	\$ -	\$ -				0.00	\$ -	
16			0	0	0.00	\$ -	\$ -				0.00	\$ -	
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						\$ -	\$ -		\$ -			\$ -	
TOTAL FROM OTHER SHEETS				\$ 219,969.85		\$ 179,195.70	\$ 300.00		\$ 164,570.70			\$ 164,570.70	
GRAND TOTAL				\$ 219,969.85		\$ 179,195.70	\$ 300.00		\$ 164,570.70	92%			



CITY OF NOVI

PURCHASE ORDER NO.

95246

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

Section 2.

APPLICATION FOR FINAL PAYMENT

PROJECT: 2017 CHIP SEAL PROGRAM **NOVI PROJECT NO.:** 17-2201 **PAYMENT NO.:** FINAL

Original Contract Amount: \$ 219,969.85
Change Orders: \$ (55,399.15)
Adjusted Contract Amount to Date: \$ 164,570.70
Total Cost of Work Performed to Date: \$ 164,570.70
MINUS Retainage:
MINUS Inspection "Crew Days": To Date \$ -
 This Pay
Net Amt. Earned of Contract and Extra Work to Date: \$ 164,570.70
MINUS L.D.'s: # of days over =
 \$ amount/day =
Subtotal: \$ 164,570.70
ADD Incentive "Crew Days", if under: \$ 1,600.00
Subtotal: \$ 166,170.70
MINUS Amount of Previous Payments: \$ 155,938.04
 1 \$ 155,938.04
 2 \$ -
 3 \$ -
 4 \$ -
 5 \$ -
 6 \$ -
 7 \$ -
 8 \$ -
 9 \$ -
 10 \$ -

CHANGE ORDERS			
No.	Date		Amount
1	October 9, 2017	\$	(53,316.70)
2	December 12, 2017	\$	(2,082.45)
3			
4			
5			
6			
7			
8			
9			
10			
TOTAL:		\$	(55,399.15)

BALANCE DUE THIS PAYMENT:

Inspection "Crew Days" Allowed per Contract:	10.00
Additional "Crew Days" per Change Orders:	0.00
Total Inspection "Crew Days" Allowed:	10.00
Inspection "Crew Days" Used to Date:	7.50
Inspection "Crew Days" Remaining:	2.50



CITY OF NOVI

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

Section 3.

APPLICATION FOR FINAL PAYMENT

PROJECT: 2017 CHIP SEAL PROGRAM

NOVI PROJECT NO.: 17-2201

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

Jeffrey S Demek P.E.
Digitally signed by Jeffrey S Demek P.E.
DN: cn=Jeffrey S Demek P.E., o=Highway Maintenance & Construction, ou, email=jeffdemek@comcast.net, c=US
Date: 2017.12.14 08:42:51 -05'00'


Highway Maintenance & Construction
CONTRACTOR - Electronic Signature Certification


Digitally signed by Aaron J. Staup
DN: cn=Aaron J. Staup, o=City of Novi, ou=Engineering Division, email=aastaup@cityofnovi.org, c=US
Date: 2018.01.22 07:58:47 -05'00'

Aaron J. Staup, Construction Engineer
Electronic Signature Certification

Mark Koskinen
Digitally signed by Mark Koskinen
Date: 2018.01.09 09:13:09 -05'00'

AECOM Great Lakes
CONSULTANT - Electronic Signature Certification


Digitally signed by George Melistas
DN: cn=George Melistas, o=City of Novi, ou=Engineering Division, email=gmelistas@cityofnovi.org, c=US
Date: 2018.01.22 08:25:43 -05'00'

George D. Melistas, Engineering Senior Manager
Electronic Signature Certification

- 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 _____

TO (OWNER)
(Name and address)

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

ARCHITECT'S PROJECT NO:

Bond No. PB02452301223

CONTRACT DATE: / /

PROJECT:
(Name and address)

2017 Chip Seal Program

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 _____, OWNER,
Novi, MI 48375

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

IN WITNESS WHEREOF, the Surety Company has hereunto set its hand this **20th** day of **December, 2017**.

(Insert in writing the month following by the numeric date and year)

Philadelphia Indemnity Insurance Company
Surety Company



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

Attest:
Seal _____


PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, 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. Mocerri, Michelle B. Graham & John W. McNish 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

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 on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (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 respect to any bond or undertaking to which it is attached.

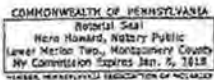
IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 14TH DAY OF NOVEMBER, 2016.



(Seal)

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

On this 14th day of November, 2016, 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:

January 8, 2018

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 14th day of November, 2016 are 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 20th day of DECEMBER, 2017



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY



CONTRACTORS SWORN STATEMENT

The general contractor must execute this Sworn Statement. Prior to execution, the general contractor shall on Schedule B of this Sworn Statement list the names of all persons, firms, or corporations engaged by the General Contractor to furnish services, equipment, labor and/or materials in connection with the work performed on the premises including the type of work materials furnished by each.

The examining attorney shall verify that every person or firm listed in Schedule B has properly executed appropriate waivers of lien prior to issuance of any final payments.

STATE OF MICHIGAN

COUNTY OF Wayne

The undersigned, being duly sworn, on oath deposes and says that (s)he is the

President _____ of the Highway Maintenance & Construction Co.
(Title) (Firm Name)

the contractor employed by the City of Novi to furnish labor and materials for the

2017 Novi Chip Seal Program

(Description of Improvement)

located at: City of Novi

The total amount of the contract is _____ of which I have received payment of _____ prior to this payment; that the persons, firms, and corporations engaged by the undersigned to have furnished services, equipment, labor and/or materials in the construction or repair of the improvements on the premises; that the dollar amount set opposite each such person, firm, or corporation on account of labor, services, equipment, and/or materials furnished with respect to said premises; that as of this date, all work to be performed with respect to said premises by the undersigned or any suppliers or subcontractors of the undersigned or any persons, firms, or corporations named in the Schedule B of this Sworn Statement, has been fully accepted by the owner and completed according to the plans and specifications.

The undersigned further states that all material (except as disclosed on said Schedule B) has been or will be furnished from his/her own stock and has been paid for in full; that there are no other contracts or subcontracts for said work outstanding, and that there is nothing due or to become due to any person for services, equipment, material, labor, or any other work done or to be done in connections with said work other than the stated on Schedule B. There are no chattel mortgages, personal property leases, conditional sale contracts or any other agreements given are now outstanding as to nay fixtures, equipment, appliances or materials placed upon or installed in or upon the aforementioned premises or improvements thereon. All waivers are true, correct, and genuine and are delivered unconditionally. Furthermore, there is no claim, either legal or equitable; to defeat the validity of said waivers.

Signed this 18 day of December, 20 17

Name: Highway Maintenance & Construction Co.
(individual/corporation/partnership)

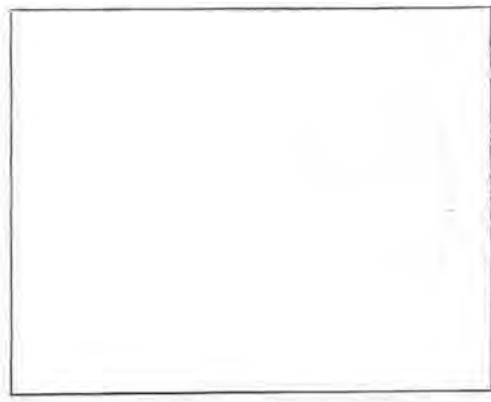
By: Jeffrey S Demek Attest: President
(Title) (Title)

Subscribed and sworn to before me this 18th day of December, 20 17

Notary Public: Rebecca L Smith

REBECCA L SMITH
Notary Public, State of Michigan
County Of Wayne
My Commission Expires 07-17-2023
Acting in the County of Wayne

NOTARY SEAL



SCHEDULE B - CONTRACTORS SWORN STATEMENT

Name of Subcontracting Firm	Type of Labor & Material Furnished	Amount of Contract	Amount Previously Paid to Date	Amount of Current Request	Accumulative Retainage to Date	Balance Due
BOWEN ✓ PAVING	ASPHALT REPAIR	95,275 ⁶⁰	95,275 ⁶⁰		#DIV/0!	\$0.00
MCMAHON ✓ STRIPIPING	PAVEMENT MARKING	300 ⁰⁰	300 ⁰⁰		#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
					#DIV/0!	\$0.00
TOTALS		\$0.00	\$0.00	\$0.00		\$0.00

RECAPITULATION

Amount of Original Contract: _____	Work Completed to Date: _____
Plus: Extras to Contract: _____	Less: Total Retainage: _____
Total: Contract plus Extras: <u> \$0.00</u>	Less: Amount Previously Paid: <u> \$0.00</u>
Less: Credits to Contract: _____	Less: Amount of this Request: _____
Total: Adjusted Contract: <u> \$0.00</u>	Total Balance Due: <u> \$0.00</u>



FULL UNCONDITIONAL WAIVER OF LIEN

My/our contract with Highway Maintenance & Construction Co. to provide
(Prime Contracting Party)

Chip Seal for the improvement of the property
(Type of service)

Described as 2017 Novi Chip Seal Program
(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: 12-20-17 *[Signature]*
(Signature of Lien Claimant)

MIKE Bowen
(Printed Name of Lien Claimant)

President
(Title of Lien Claimant)

Company Name: Bowen Paving

Address: 1001 Cesar E Chavez Pontiac, MI 48340

Telephone: 248-332-4956

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



FULL UNCONDITIONAL WAIVER OF LIEN

My/our contract with Highway Maintenance & Construction Co. to provide
(Prime Contracting Party)
Striping for the improvement of the property
(Type of service)
described as 2017 Novi Chip Seal Program
(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: 12/18/17

(Signature of Lien Claimant)

Donald S. McMann II
(Printed Name of Lien Claimant)

PRESIDENT
(Title of Lien Claimant)

Company Name: Mc Mann Striping

Address: 13862 Crosley Redford, MI 48239

Telephone: 313-632-1800

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