



CITY of NOVI CITY COUNCIL

Agenda Item B
January 22, 2008

SUBJECT Approval of Consultant Review Committee's recommendation to grant an additional one-year extension with Spalding DeDecker & Associates for civil engineering field consulting services through December 31, 2008.

SUBMITTING DEPARTMENT: City Manager's 

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Spalding DeDecker & Associates, Inc. (SDA) was awarded a one-year contract for consultant civil engineering and field services in December 2005 and was granted a one-year extension in December 2006. Since that time, staff has recommended placing all consultant agreements on a rotation so agreements expire during different time periods with no contract, including extensions, going beyond three years in total without rebidding the services. In this way, the City provides consistent services to the public and periodically checks the marketplace to ensure the best fees. The extension would provide for the same three-year (in total) opportunity as other consulting agreements (e.g., Traffic Engineering, Environmental Consulting, etc.).

Staff in Public Works, Engineering, Finance, Community Development and the Manager's Office all provided input regarding the services provided by SDA and all gave positive recommendations for an additional one year of service. SDA has been in compliance with the 15-day review period (as required by amendment to their contract in 2006).

Services provided under this agreement include:

- Engineering Plan Review Services (including land improvement, soil erosion and sedimentation control, Floodplain Use Permit, financial guarantee recommendations, easement document reviews, etc.);
- Construction Engineering Field Services (including grading & drainage inspections, soil erosion and sedimentation control, construction inspections, supervise material testing);
- Environmental and Full Site Pre-Construction Meeting Coordination;
- Court testimony for ordinance enforcement;
- Storm water basin design and maintenance plans (as needed);
- Attendance at public meetings and hearings.

There are no changes to the hourly rates approved in 2005. However, this year staff requested that the fee structure for construction inspection and acceptance document review be altered to include two new tiers of construction costs, which results in a fee *decrease* in some mid-sized development projects. In addition, staff recommended an increase in the record drawing preparation (from 1.5% to 1.7%) in response to new requirements from City Engineering for record drawing preparation.

Granting the extension will allow the various consultant contracts to be on different schedules so all of the agreements will not expire at the same time and provide an opportunity to add two additional tiers to our construction inspection fee schedule.

RECOMMENDED ACTION: Approval of Consultant Review Committee's recommendation to grant an additional one-year extension with Spalding DeDecker & Associates for civil engineering field consulting services through December 31, 2008.

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

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

**AMENDMENT TO DECEMBER, 2005 CONTRACT
FOR PROFESSIONAL SERVICES
(SPALDING DEDECKER FIELD ENGINEERING)**

THIS AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES ("Contract"), dated January 22, 2008, is by and between the **City of Novi**, a Michigan municipal corporation, whose address is 45175 W. Ten Mile Road, Novi Michigan, 48375 (hereinafter referred to as "City"), and **Spalding DeDecker & Associates, Inc.**, whose address is: 905 South Blvd. East, Rochester Hills, Michigan 48307 (hereinafter referred to as "Consultant").

RECITALS

The City and Consultant entered into a Contract for professional field engineering services effective December 5, 2005.

The City has authorized similar professional services agreements for up to three years in one and two-year increments prior to re-bidding such services if the City's performance standards are met and the City and Consultant agree to continue services.

The City has agreed to extend the term of the Contract for an additional year, subject to an amendment to the Contract that revised the professional services fees for construction inspection and acceptance document review.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. That **Exhibit B** to the Contract is hereby amended effective February 22, 2008, as attached and highlighted.
2. The term of the Contract is extended one additional year, in **Section 1. General Scope of Services and Term of Agreement**, with a new expiration date of December 31, 2008.

IN WITNESS WHEREOF, the parties hereunto have executed this amendment on the date below stated.

CITY OF NOVI

By: _____
David Landry, Mayor

By: _____
Maryanne Cornelius, City Clerk

Spalding DeDecker & Associates, Inc.

By: _____

Dated: _____

EXHIBIT B

City of Novi, Michigan "PROFESSIONAL SERVICE FEES FOR MAJOR ACCOUNTABILITIES"



<u>Description</u>	<u>Fee</u>	
Land Improvement Review	\$ 110	lump sum
Land Improvement Fees – Residential		
Review	\$ 110	lump sum
Each review for Builder Initiated Change	\$ 110	lump sum
Initial inspection and one re-inspection	\$ 190	lump sum
Footing inspection and one re-inspection	\$ 190	lump sum
Any additional inspections	\$ 100	lump sum
Additional elevation inspections (after second)	\$ 100	lump sum
Final grade inspections (certifications)	\$ 145	lump sum
Minor Land Improvement		
Review	\$ 75	lump sum
Inspection fee	\$ 75	lump sum
Construction Inspection and Acceptance Document Review		
(1) 11.25 % for Public Utilities/Roads (construction cost <or= \$50,000) (includes Pre-Con Meetings), minimum \$1,250.00		
(2) 9.25 % for Public Utilities/Roads (construction cost \$50,001 to \$100,000)(includes Pre-Con Meetings), minimum \$5,625.00	(1)	
(3) 7.25 % for Public Utilities/Roads (construction cost \$100,001 to \$300,000)(includes Pre-Con Meetings) , minimum \$9,250.00	(2)	Fixed Fee
(4) 5.25 % for Public Utilities/Roads (construction cost >\$300,001)(includes Pre-Con Meetings), minimum \$18,750.00	(3)	% of construction cost
(5) 2.75 % for Private Improvement (spot) inspection (includes Detention Basin Field Review and Report)	(4)	
	(5)	
Record Drawing Review (As-Built prepared by Developer)		
(6) 0.25 % for Public Utilities/Roads, with a minimum fee of \$350.00.	\$ (6)	Fixed Fee % of construction cost
Record Drawing Preparation (As-Built prepared by SDA)		
(7) 1.7 % for Public Utilities/Roads, with a minimum fee of \$750.00.	\$ (7)	Fixed Fee % of construction cost
Soil Erosion and Sedimentation Control Inspections		
(8) Per "Inspection Fee Escrow Determination" form	\$ (8)	Escrow
Review and inspection fees for residential land Improvements	\$ 150	lump sum
Violation work involving inspection, report and follow-up.	\$ 85	Hourly
Citation work involving inspection report, follow-up, Ordinance enforcement office meeting and court appearance	\$ 125	Hourly
Court Testimony		
Fee will be invoiced monthly for actual time expended	\$ 230	Hourly
Minor Engineering Studies and Reviews	\$ 100	Hourly
Flood Plain Review	\$ 100	Hourly



EXHIBIT B
September 28, 2005

- CURRENT -
Proposed to be changed



City of Novi, Michigan
"PROFESSIONAL SERVICE FEES FOR MAJOR ACCOUNTABILITIES"
Effective: September 28, 2005 to December 1, 2006 *

*Fees will be effective for the one-year term of the Professional Engineering Services Agreement and will be open to review and negotiation by mutual agreement of SDA and the City of Novi for an additional 1-year term. However, SDA reserves the right to review the fees for fixed fee services on or before six (6) months from the date of this Professional Engineering Services Agreement and request contract modifications from the City of Novi which has the option of approving or denying such fee modifications at its discretion. SDA reserves the right to review and concur to the engineer's construction costs estimates used to establish fee based services using % of construction.

<u>Description</u>	<u>Fee</u>	
Land Improvement Review	\$ 110	lump sum
Land Improvement Fees – Residential		
Review	\$ 110	lump sum
Each review for Builder Initiated Change	\$ 110	lump sum
Initial inspection and one re-inspection	\$ 190	lump sum
Footing inspection and one re-inspection	\$ 190	lump sum
Any additional inspections	\$ 100	lump sum
Additional elevation inspections (after second)	\$ 100	lump sum
Final grade inspections (certifications)	\$ 145	lump sum
Minor Land Improvement		
Review	\$ 75	lump sum
Inspection fee	\$ 75	lump sum
Construction Inspection and Acceptance Document Review		
(1) 11.25 % for Public Utilities/Roads (construction cost <or= \$50,000) (includes Pre-Con Meetings), minimum \$1,250.00	(1)	Fixed Fee % of construction cost
(2) 9.25 % for Public Utilities/Roads (construction cost over \$50,000) (includes Pre-Con Meetings)	(2)	
(3) 2.75 % for Private Improvement (spot) inspection (includes Detention Basin Field Review and Report)	(3)	
Record Drawing Review (As-Built prepared by Developer)		
(4) 0.25 % for Public Utilities/Roads, with a minimum fee of \$350.00.	(4)	Fixed Fee % of construction cost
Record Drawing Preparation (As-Built prepared by SDA)		
(5) 1.5 % for Public Utilities/Roads, with a minimum fee of \$750.00.	(5)	Fixed Fee % of construction cost
Soil Erosion and Sedimentation Control Inspections		
Inspection fees for residential and commercial Developments (includes one site visit and report)		
(6) < 5 acres \$200	\$ (6)	lump sum
5 to 15 acres \$300		
> 15 acres \$450		
Review and inspection fees for residential land Improvements	\$ 150	lump sum
Violation work involving inspection, report and follow-up.	\$ 85	hourly
Citation work involving inspection report, follow-up, Ordinance enforcement office meeting and court appearance	\$ 125	hourly
Court Testimony		
Fee will be invoiced monthly for actual time expended	\$ 230	hourly
Minor Engineering Studies and Reviews	\$ 100	hourly
Flood Plain Review	\$ 100	hourly

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SPALDING DEDECKER ASSOCIATES, INC.

905 South Boulevard East • Rochester Hills • Michigan 48307 • Tel 248 844 5400 • Fax 248 844 5404

MEMORANDUM

*Not Considered
Prior to Contract
Discussion with
CRA*

DATE: September 18, 2007
TO: Aaron Staup
Chris Blough
ORGANIZATION: City of Novi
FROM: Taylor Reynolds *TR*
RE: As Built Services
JOB NO.: NV07000

Per our meeting in July, the requirements for as-built submittals have been modified. I have received and reviewed the attribute tables that will be completed as part of the future as-built submittals. As we discussed, completing these new requirements is above and beyond the initial scope of work that was outlined in our existing contract with the City.

In order to prepare the tables and incorporate the unique feature identification numbers in accordance with the revised requirements, we estimate the following changes to our fees in terms of percentage of construction costs:

<u>As Builts Completed by:</u>	<u>Existing As-Built Fee</u>	<u>Proposed Fee</u>
Spalding DeDecker Associates	1.50%	1.70%

Upon your authorization, with these fee modifications, SDA will provide as-built information complete to the updated standards revised August 22, 2007.

If you have any questions, please do not hesitate to call.

Thank you.

Engineering Consultants

Infrastructure • Land Development • Surveying



SPALDING DEDECKER ASSOCIATES, INC.

905 South Boulevard East • Rochester Hills • Michigan 48307 • Tel 248 844 5400 • Fax 248 844 5404

January 3, 2008

Mr. Rob Hayes
City Engineer
City of Novi
45175 W. Ten Mile Road
Novi, Michigan 48375

Re: **2008 Agreement for Professional Engineering Services
Consulting Civil Engineering and Field Services Contract**

Dear Mr. Hayes:

Spalding DeDecker Associates, Inc. (SDA) appreciates the opportunity to meet with you, your staff, Ms. Antil and Ms. Neumaier on December 20, 2007 to discuss renewal of the above contract for 2008. We have reviewed your staff recommendations made in the memorandum dated December 10, 2007 (attached) and discussed at the meeting with regard to inspection fee reductions. We will agree to these modifications and have reflected them in the attached revised Exhibit B to the formal agreement for 2008 projects. It should be noted that these changes represent a reduction in inspection fees for some projects. We understand that a challenging economic climate warrants compromise and we remain firmly committed to providing the same high quality project oversight for projects in the City of Novi.

Please note that this exhibit also modifies the as-built preparation fee from 1.5% to 1.7% as previously discussed and agreed upon.

We look forward to working closely with the City of Novi in 2008. Please do not hesitate to contact us should you have questions.

Sincerely,

SPALDING DEDECKER ASSOCIATES, INC.

David L. Potter, PE
Vice President

David W. Bluhm, PE
Project Manager

dwb

attachments: December 10, 2007 Novi Staff Memorandum
Proposed 2008 Contract Agreement with Attachments A, B and C.
Amendment to December, 2005 Contract

Engineering Consultants

Infrastructure • Land Development • Surveying

From: Coburn, Brian
Sent: Monday, December 10, 2007 10:20 AM
To: Hayes, Rob
Cc: Croy, Ben
Subject: Proposed Inspection Fee Structure Revisions-RESEND

Rob,

As requested, Ben and I took a closer look at the existing inspection fee structure to determine appropriate revisions to decrease the fees for larger projects such as Haggerty Corridor Corporate Park Phase II, ITC, Ryder and others. We reviewed five projects with inspections fees in excess of \$30,000 to determine a more equitable fee structure for those larger projects. For the most part these larger projects have built in efficiencies due to their size. The fees we collect for these projects are often larger than funds required to pay SDA for inspection. The table below summarizes our proposed fee schedule revisions and shows examples of the new rate applied to existing projects.

Table 1. Proposed Revisions to Fee Structure

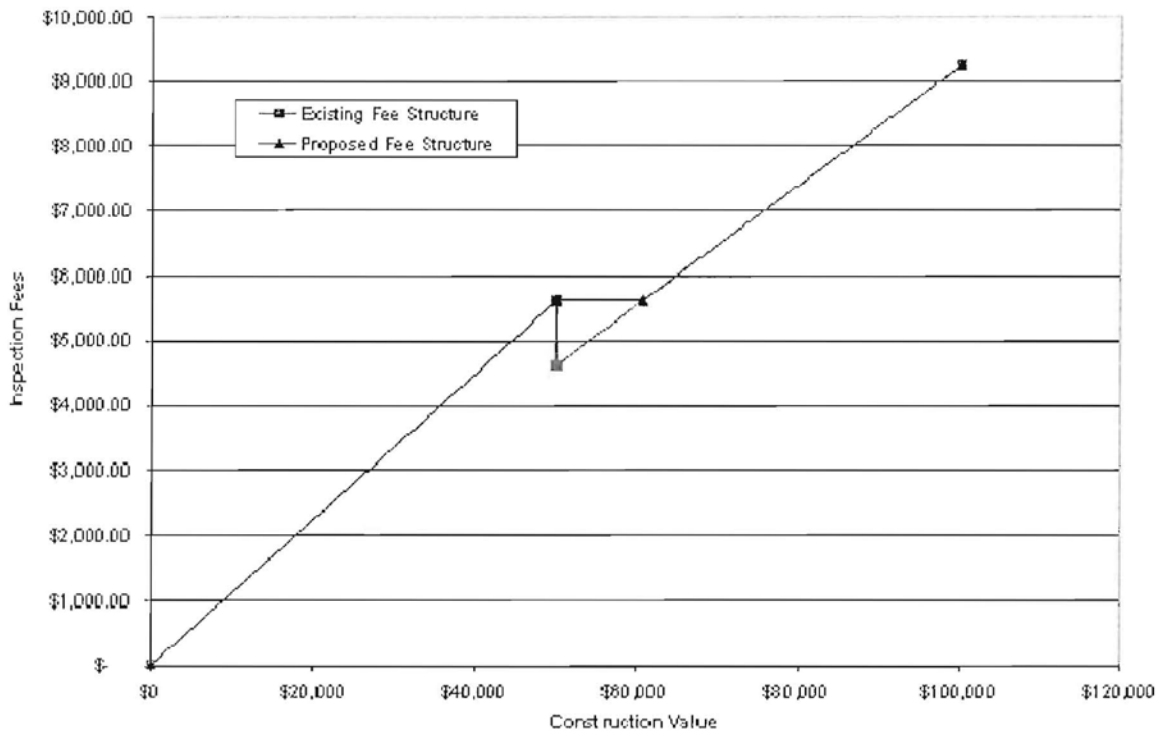
Sitework Construction Value		% Fee	\$ Fee Range	
From	To		From	To
\$0	\$49,999	11.25%	\$2,000	\$5,625
\$50,001	\$100,000	9.25%	\$5,625	\$9,250
\$100,001	\$300,000	7.25%	\$9,250	\$21,750
\$300,001	∞	5.25%	\$21,750	

Table 1 above shows a revision to the fee structure such that after \$100,000 in estimated construction costs for inspection of water, sanitary, storm or work in the public right-of-way (or roads to be accepted later), a reduced percentage of 7.25% would be applied. The percentage is further reduced to 5.25% after \$300,000 in construction value.

The fee schedule also proposes to continue the maximum fee from the lower fee grade through the next step. For example, the inspection fees for a construction value of \$49,999 would be \$5,625, however if the value becomes \$50,000 (the boundary between the 11.25% fee range and the 9.25% fee range) the inspection fees would drop to \$4,625. We propose to remove this anomaly as shown below in Figure 1.

Figure 1. Graph of Existing Fee Structure vs. Proposed Fee Structure

Inspection Fees vs. Construction Value



Based on the revised fee structure shown in Figure 1 above, we determined the revised inspection fee amounts for the example project for the purpose of discussion as shown in Table 2.

Table 2. Inspection Fees for Five Sample Projects under the Existing and Proposed Fee Structures

Construction Value	Inspection Fees	
	Existing Structure	Proposed Structure
\$ 368,484.00	\$ 36,244.44	\$ 33,922.84
\$ 1,073,390.00	\$ 74,023.26	\$ 63,043.27
\$ 924,725.00	\$ 53,866.58	\$ 50,046.45
\$ 2,290,919.00	\$ 235,216.30	\$ 154,492.05
\$ 1,579,939.00	\$ 66,437.05	\$ 59,130.53

The attached graph shows the existing and proposed fee structures for the full range of construction values.

Please let me know if you have any questions.

Brian

Brian T. Coburn, P.E.
bcoburn@cityofnovi.org

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