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CITY of NOVI CITY COUNCIL

Agenda Item 1
January 10, 2011

SUBJECT: Approval to award an amendment to the intergovernmental agreement with the City of Farmington Hills for construction inspection services and construction staking related to the 2010 Pathway Gap project in the amount of \$1,058.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division *BIC*

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$ 423 (Ten Mile segments 71 and 140) \$ 635 (Willowbrook segment 139) \$1,058 TOTAL
AMOUNT BUDGETED	\$55,000 (Ten Mile segments 71 and 140) \$17,000 (Ten Mile/Nilan crossing) \$62,500 (Willowbrook segment 139) \$134,500 TOTAL for Engineering and Construction
LINE ITEM NUMBER	204-204.00-974.413 (Ten Mile segments 71 and 140) 204-204.00-974.414 (Ten Mile/Nilan crossing) 204-204.00-974.415 (Willowbrook segment 139)

BACKGROUND INFORMATION:

An intergovernmental agreement with the City of Farmington Hills was approved by City Council on May 17, 2010 to provide construction inspection services for the 2010 Pathway Gap project. The agreement with Farmington Hills is part of a cost saving measure which utilized a mix of Novi staff and Farmington Hills staff to provide construction engineering services for the project, rather than using consultants. The construction of the project is substantially complete and the inspection by Farmington Hills staff is fully complete. Overall, the City of Novi recognized a savings of \$6,171 on the construction phase engineering services (see December 27, 2010 memo attached for additional detail).

The original contract anticipated 12 crew days for construction inspection; however the contractor utilized 14 crew days to complete the project. Additional time was also needed for construction staking beyond the original estimate. The fee for additional inspection by the City of Farmington Hills is \$858 and the fee for additional construction staking is \$200, based on the number of hours worked and hourly rates included in the agreement. This resulted in a total increase of \$1,058, from the original estimate of \$7,200 to the invoiced amount of \$8,258. These additional inspection costs were more than offset by a change order to contractor which resulted in a net decrease to the construction contract of \$35,997.60.

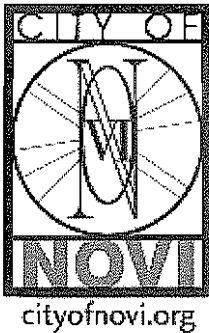
The contractor will return in the spring to complete the restoration punch list which will be inspected and administered by City staff. It is anticipated that the overall project will be completed under the original budgeted amount of \$134,500.

RECOMMENDED ACTION: Approval to award an amendment to the intergovernmental agreement with the City of Farmington Hills for construction inspection services and construction staking related to the 2010 Pathway Gap project in the amount of \$1,058.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

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

MEMORANDUM



TO: ROB HAYES, P.E.; DIRECTOR OF PUBLIC SERVICES
FROM: BRIAN COBURN, P.E.; ENGINEERING MANAGER *BC*
SUBJECT: 2010 PATHWAY PROGRAM COST SAVINGS
DATE: DECEMBER 27, 2010

As part of a city-wide effort to find cost-saving partnerships with other municipalities, staff identified an opportunity with the City of Farmington Hills to provide construction inspection services at a lower cost than the city's consultants. An intergovernmental agreement with the City of Farmington Hills was approved by the City Council on May 17, 2010 for construction inspection services related to the 2010 Pathway Program in an estimated amount of \$7,200 based on the anticipated level of inspection and the hourly rates in the agreement. To provide further costs savings, the contract administration services were performed by Aaron Staup, the City's Construction Engineering Coordinator, instead using a consultant. Because this project is relatively small and the administration of the project is relatively straight forward, this project was a good candidate to try this alternate method of project management. At the beginning of the project, we anticipated a savings of \$6,080.

The project is now substantially complete, all inspection has been completed by Farmington Hills and all that remains is a final lawn restoration inspection by Aaron in the spring. Some slow progress by the contractor required additional inspection time by Farmington Hills' inspectors, however, we were still able to save \$6,171 on consulting fees for the project (see table below).

Activity	Assumed Consultant Costs (per agreement)	Actual Costs (using City and Farmington Hills staff)	Project Savings
Contract Administration	\$7,717 (7.0% of construction bid)	\$1,898 (Novi staff time)	\$3,219
Staking		\$2,600 (FH staff charges)	
Construction Inspection (14 crew days)	\$8,610 (\$615 per crew day)	\$5,658 (FH staff charges)	\$2,952
TOTAL	\$16,327	\$10,156	\$6,171

We were very pleased with the responsiveness and performance by the City of Farmington Hills' staff. We are actively working with Farmington Hills to find other partnering opportunities in 2011.

An amendment to the fees for Farmington Hills will be on a future agenda to add \$1,058 for additional staking and inspection time, but the project remains under budget and our savings goal was achieved.

cc: Engineering Division staff



31555 ELEVEN MILE ROAD
 FARMINGTON HILLS, MI 48336-1165
 (248) 871-2480



INVOICE 0002873

DATE	12/13/2010
ACCOUNT	000366
AMT DUE	8,258.00
TERMS	Due upon receipt

CITY OF NOVI

Brian Coburn
26300 Delwood Drive
Novi, MI 48375

AMOUNT PAID _____

MAKE CHECKS PAYABLE TO THE CITY OF FARMINGTON HILLS
 PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

CITY OF FARMINGTON HILLS

DESCRIPTION	AMOUNT
MISCELLANEOUS BILLING Share of services for 2010 Pathways Gap Program Survey crew 26 hours @\$100 per hour=\$2,600.00 Inspection regular hours 102 @ \$50 per hour=\$5,100.00 Inspection overtime hours 9 @\$62 per hour = \$558.00 Total Cost = \$8,258.00	8,258.00

ACCOUNT NO. 000366

TOTAL AMOUNT DUE:

8,258.00

Please Remit to: 31555 ELEVEN MILE ROAD
 FARMINGTON HILLS, MI
 48336-1165