



**CITY of NOVI CITY COUNCIL**

**Agenda Item 2  
February 9, 2015**

**SUBJECT:** Approval to award a construction contract for the 2014 Neighborhood Road Program—Contract 1A (Asphalt) to Nagle Paving, the low bidder, in the amount of \$431,235, subject to final review and approval of form of agreement by City Manager's office and the City Attorney.

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

**CITY MANAGER APPROVAL:** *[Signature]*

<b>EXPENDITURE REQUIRED</b>	<b>\$ 431,235.25</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 2,152,869</b>
<b>LINE ITEM NUMBER</b>	<b>203-203.00-865.434</b>

**BACKGROUND INFORMATION:**

A construction contract for 2014 Neighborhood Roads—Contract 1 (Asphalt) was awarded to Pavex Corporation in the amount of \$1,166,945. The project included all of the streets in Haverhill Farm subdivision as well as the streets listed in the table below. A Notice to Proceed was issued to the contractor on August 11, 2014 and the contractor was required to complete the project by November 9, 2014. Unfortunately, the contractor failed to meet the schedule and was only able to complete the work in Haverhill Farm behind schedule after many delays (see attached memo for additional information).

The construction contract allows the City to remove work from the contract. Two change orders removing the incomplete portions of the project were issued in January 2015 resulting in a decrease of \$500,225 for the original Contract 1 project. That work is now being re-bid as 2014 Neighborhood Roads Contract 1A (Asphalt). Contract 1A includes the streets that are listed below and shown on the attached map:

Road Segment	From	To	Material	PASER	Treatment
Malott Dr	Meadowbrook	Le Bost	Asphalt	3	Reconstruct with Interlayer/Geogrid
Le Bost Dr	Malott	200 feet	Asphalt	3	Reconstruct with Interlayer/Geogrid
Wedgewood Dr	Pontiac Trail	Springlake Blvd	Concrete to Asphalt	2	Reconstruct with Interlayer/Geogrid

The interlayer and geogrid listed under "treatment" are geosynthetic paving materials designed to extend the service life of the pavement. The interlayer is constructed of a fiberglass mesh embedded into high performance polyester mats and placed between asphalt lifts to provide additional strength and resist reflective cracking, while also preventing moisture infiltration into the pavement structure. The geogrid is placed within the aggregate base layer to reduce subgrade stresses by spreading point loads over a larger area (i.e., the "snowshoe effect").

Five bids were received and opened on January 28, 2015 following a public bid solicitation period. The lowest bidder is Nagle Paving Company (a Novi-based company).

Nagle's bid is recommended as being in the best interest of the City as it is responsive (i.e., Nagle has complied with all requirements of the bidding instructions) and it is the lowest price. (SDA's award recommendation letter including the bid tabulation dated January 30, 2015 is attached). A summary of the five bids is as follows:

<b>Contractor</b>	<b>Bid Price (including Crew Days)*</b>
Nagle Paving Company	<b>\$454,915.25</b>
Pavex	\$496,615.85
Florence Cement	\$501,040.00
Cadillac Asphalt	\$519,064.75
Pro-Line	\$535,434.24

\*Crew Days are included to compare bids, but are not included in the award.

The construction engineering services award is proposed for consideration elsewhere on this agenda. It is anticipated that this project will be completed by summer 2015.

**RECOMMENDED ACTION:** Approval to award a construction contract for the 2014 Neighborhood Road Program—Contract 1A (Asphalt) to Nagle Paving, the low bidder, in the amount of \$431,235, subject to final review and approval of form of agreement by City Manager's office and the City Attorney.

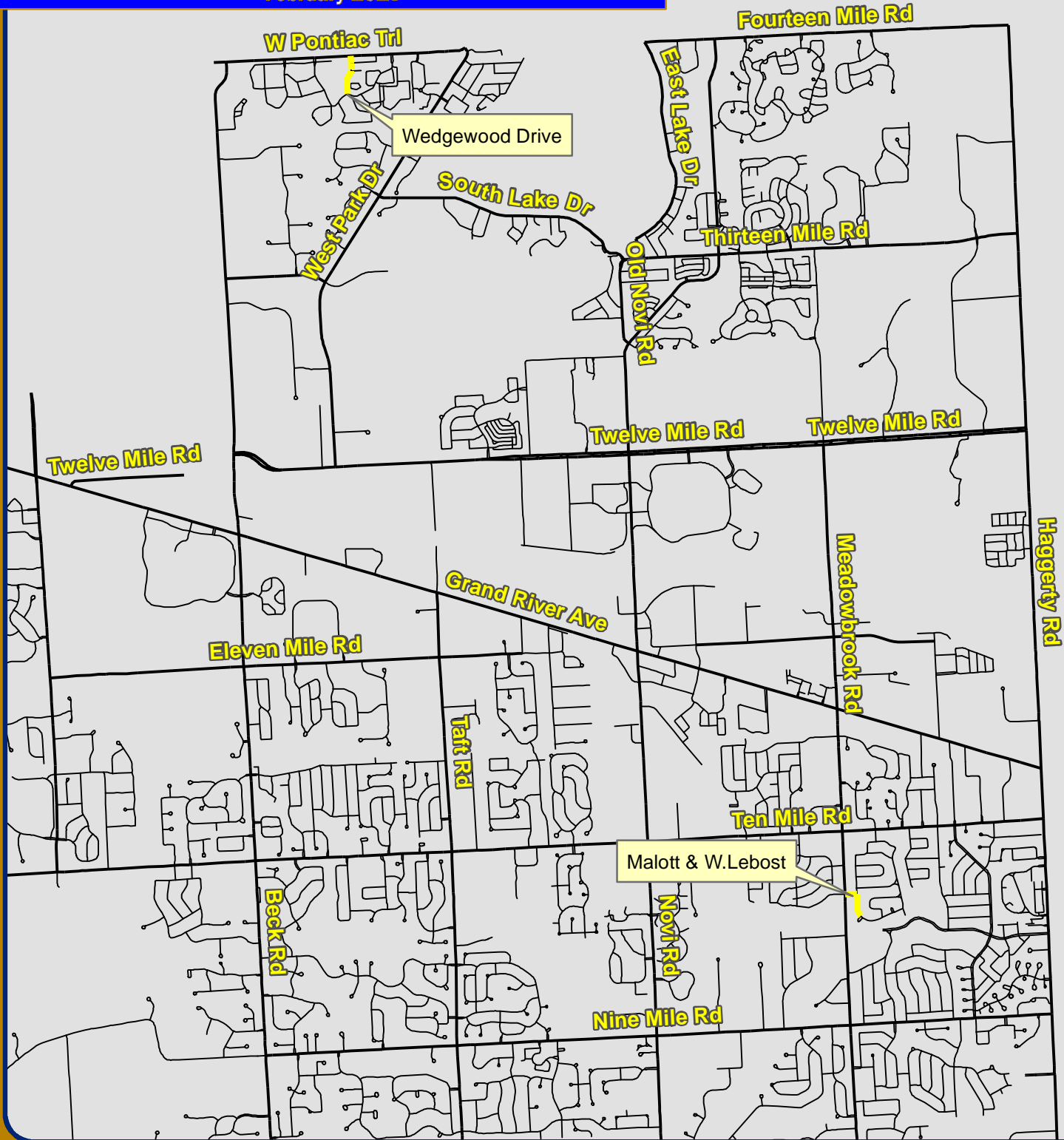
	<b>1</b>	<b>2</b>	<b>Y</b>	<b>N</b>
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Markham</b>				

	<b>1</b>	<b>2</b>	<b>Y</b>	<b>N</b>
<b>Council Member Mutch</b>				
<b>Council Member Poupard</b>				
<b>Council Member Wrobel</b>				

# 2014 NEIGHBORHOOD ROAD PROGRAM

## CONTRACT 1A

February 2015




Map Author: Croy  
Date: 2/1/15  
Project: 2014 NRP Contract 1A  
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.

### Map Legend

 2014 Asphalt



1 inch = 3,850 feet



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



January 30, 2015

Mr. Benjamin Croy, PE, Civil Engineer  
City of Novi  
26300 Lee BeGole Drive  
Novi, Michigan 48375

Re: **Recommendation for Award**  
2014 Neighborhood Road Program – Asphalt – Contract 1A  
SDA Project No.: NV13-010

Dear Mr. Croy:

On January 28, 2015 at 2:00 p.m., construction bids were opened and publicly read at the City of Novi Civic Center for the 2014 Neighborhood Road Program – Asphalt – Contract 1A. The project includes the asphalt reconstruction of Malott Drive and portions of Lebst Drive, and the asphalt reconstruction of Wedgewood Drive, including sidewalk improvements.

The City Clerk's office received five (5) sealed bids for this project, with each bidder considered to be responsive having submitted a bid compliant with all requirements. The apparent low bidder, Nagle Paving Company, submitted a total bid of \$454,915.25. Following the bid opening, Spalding DeDecker reviewed all of the bids received, verified the calculations, and prepared the bid tabulation for the project (attached).

Based on a review of experience and references provided, Spalding DeDecker finds that Nagle Paving Company is qualified to perform the required construction.

**It is our recommendation that the project be awarded to the low bidder, Nagle Paving Company, for the 2014 Neighborhood Road Program – Asphalt – Contract 1A in the amount of \$431,235.25, which is the total bid of \$454,915.25 minus \$23,680.00 for crew days bid.**

Upon award by the City Council, our office will coordinate the completion of the Contract Agreement, Bonds, and Insurance information with Nagle Paving Company.

Very Truly Yours,  
**SPALDING DEDECKER**



Edward A. Strada, PE  
Project Manager

Encl: Bid Tabulation



**BID TABULATION - 2014 NEIGHBORHOOD ROADS PROGRAM - ASPHALT - CONTRACT 1A**

**CITY OF NOVI**

5 Bids received, open 01/28/15

Project No. NV13010

By: BRV

Reviewed: TER

No	ITEM	QUANTITY	UNIT	Engineer's Estimate		Nagle Paving		Pavex		Florence Cement	
				UNIT PRICE (\$)	AMOUNT (\$)	UNIT PRICE (\$)	AMOUNT (\$)	UNIT PRICE (\$)	AMOUNT (\$)	UNIT PRICE (\$)	AMOUNT (\$)
1	Bonds, Insurance and Mobilization (5% Max)	1	LS	20,856.51	20,856.51	14,000.00	14,000.00	22,500.00	22,500.00	25,000.00	25,000.00
2	Pre-Construction Audio Video	1	LS	1,000.00	1,000.00	1,200.00	1,200.00	900.00	900.00	1,000.00	1,000.00
3	Soil Erosion Control Measures	1	LS	1,500.00	1,500.00	5,200.00	5,200.00	1,500.00	1,500.00	2,000.00	2,000.00
4	Maintaining Traffic	1	LS	5,000.00	5,000.00	6,000.00	6,000.00	23,900.00	23,900.00	13,000.00	13,000.00
5	Tree Protection Fencing	1,158	LF	2.84	3,288.72	3.00	3,474.00	2.50	2,895.00	2.00	2,316.00
6	Remove Sidewalk	900	SF	0.65	585.00	1.00	900.00	1.00	900.00	2.00	1,800.00
7	HMA Surface, Rem	1,400	SY	3.60	5,040.00	3.50	4,900.00	4.15	5,810.00	5.00	7,000.00
8	Pavement, Rem	3,815	SY	6.48	24,721.20	6.00	22,890.00	7.65	29,184.75	5.00	19,075.00
9	Excavation, Earth	2,380	CY	14.81	35,247.80	14.00	33,320.00	15.50	36,890.00	21.00	49,980.00
10	Subgrade Undercut (As Needed)	700	CY	41.33	28,931.00	40.00	28,000.00	50.00	35,000.00	45.00	31,500.00
11	Aggregate Base, 6 inch	1,325	SY	5.68	7,526.00	7.50	9,937.50	6.32	8,374.00	8.00	10,600.00
12	Aggregate Base, 8 inch	5,695	SY	7.62	43,395.90	7.50	42,712.50	8.43	48,008.85	8.00	45,560.00
13	Geogrid	4,435	SY	2.50	11,087.50	4.05	17,961.75	5.50	24,392.50	4.00	17,740.00
14	Underdrain, 6 Inch, w/Geotextile Wrap	3,075	LF	8.80	27,060.00	12.00	36,900.00	10.00	30,750.00	9.00	27,675.00
15	Driveway Opening, Conc, Det M	404	LF	11.48	4,637.92	15.00	6,060.00	11.95	4,827.80	15.00	6,060.00
16	Curb and Gutter, Conc, Det F-2	2,221	LF	11.48	25,497.08	13.50	29,983.50	11.95	26,540.95	13.00	28,873.00
17	HMA, 3C	550	TON	79.13	43,521.50	72.50	39,875.00	78.50	43,175.00	86.00	47,300.00
18	HMA, 5E1	540	TON	87.56	47,282.40	80.00	43,200.00	84.70	45,738.00	89.00	48,060.00
19	Interlayer	4,310	SY	3.22	13,878.20	4.50	19,395.00	4.00	17,240.00	4.10	17,671.00
20	Sidewalk Grading	14	STA	500.00	6,950.00	700.00	9,730.00	550.00	7,645.00	600.00	8,340.00
21	Sidewalk, Conc, 4 Inch	7,640	SF	2.85	21,774.00	3.40	25,976.00	2.85	21,774.00	3.00	22,920.00
22	ADA Ramp, Conc, 6 Inch	1,140	SF	5.25	5,985.00	5.50	6,270.00	6.00	6,840.00	5.00	5,700.00
23	ADA Detectable Warning Plate	50	SF	21.00	1,050.00	22.00	1,100.00	20.00	1,000.00	30.00	1,500.00
24	Str Rehab Type 1: Point-Up Structure	2	EA	300.00	600.00	250.00	500.00	500.00	1,000.00	300.00	600.00
25	Str Rehab Type 2: Structure Cover Adjust	4	EA	400.00	1,600.00	350.00	1,400.00	600.00	2,400.00	500.00	2,000.00
26	Str Rehab Type 3: Reconstruct Structure	9	EA	600.00	5,400.00	700.00	6,300.00	900.00	8,100.00	1,400.00	12,600.00
27	Dr Structure Cover, Type B	6	EA	475.00	2,850.00	550.00	3,300.00	900.00	5,400.00	600.00	3,600.00
28	Restoration	1	LS	19,071.00	19,071.00	10,500.00	10,500.00	10,000.00	10,000.00	13,800.00	13,800.00
29	Permit Allowance (RCOC)	1	LS	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00
30	Inspection Crew Days (\$640/day)	35	DAY	35	22,400.00	37	23,680.00	37	23,680.00	43	27,520.00
<b>OPINION OF PROBABLE CONSTRUCTION COST</b>				<b>\$437,986.73</b>		<b>\$454,915.25</b>		<b>\$496,615.85</b>		<b>\$501,040.00</b>	

Additional Bids Received: Cadillac Asphalt \$519,064.75  
 Pro-Line \$535,434.24



\* NOTE: Number of Construction Observation Days bid by contractor, entered in Unit Price column here for bid tabulation purposes

**BID**  
for  
**2014 NEIGHBORHOOD ROAD PROGRAM – ASPHALT – CONTRACT 1A**

Bid of NAGLE PAVING COMPANY hereinafter called Bidder, organized and existing under the laws of or a resident of the State of Michigan, doing business as A CORPORATION \*.

\* Insert as applicable: “a corporation”, “a partnership” or “an individual”.

TO THE CITY OF NOVI, MICHIGAN, hereinafter called OWNER:

The undersigned as Bidder hereby declares: that this Bid is made in good faith without fraud or collusion with any person or persons bidding on the same Contract; that the Bidder has read and examined the Advertisement for Bids, Instructions to Bidders, Bid, General Conditions, Supplementary Conditions, Agreement, Forms of Bond, Specifications and Drawings, as prepared by the ENGINEER, and understands all of the same; that the Bidder of its representative has made personal investigation at the site and has become fully familiar with regard to the conditions to be met in the execution of this Contract, and the undersigned proposes to furnish all labor, materials, tools, power, transportation, and construction equipment necessary for the construction of the Project and performing related work in full accordance with the aforesaid Contract Documents, including any and all Addenda officially issued, their receipt of which is hereby acknowledged:

Addendum No. <u>N/A</u>	Addendum Date <u>N/A</u>
_____	_____
_____	_____

**The Contract will be awarded to the lowest responsive, responsible Bidder based on the unit prices for all Work specified.**

The Bidder agrees to complete the Project for the following unit prices:

**2014 NEIGHBORHOOD ROADS – ASPHALT – CONTRACT 1A**

Item No.	Ref Spec	Item Description	Qty	Unit	Unit Price (\$)	Total Price (\$)
1	30.10	Bonds, Insurance and Mobilization (5% Max)	1	LS	\$14,000 <sup>00</sup>	\$14,000 <sup>00</sup>
2	30.11	Pre-Construction Audio Video	1	LS	\$1200 <sup>00</sup>	\$1200 <sup>00</sup>
3	30.12	Soil Erosion Control Measures	1	LS	\$5200 <sup>00</sup>	\$5200 <sup>00</sup>
4	30.13	Maintaining Traffic	1	LS	\$6000 <sup>00</sup>	\$6000 <sup>00</sup>



Item No.	Ref Spec	Item Description	Qty	Unit	Unit Price (\$)	Total Price (\$)
5	30.14	Tree Protection Fencing	1158	LF	\$3.00	\$3,474.00
6	30.16	Remove Sidewalk	900	SF	\$1.00	\$900.00
7	30.17	HMA Surface, Rem	1400	SY	\$3.50	\$4,900.00
8	30.19	Pavement, Rem	3815	SY	\$6.00	\$22,890.00
9	M205	Excavation, Earth	2380	CY	\$14.00	\$33,320.00
10	30.23	Subgrade Undercut (As Needed)	700	CY	\$40.00	\$28,000.00
11	M302	Aggregate Base, 6 inch	1325	SY	\$7.50	\$9,937.50
12	M302	Aggregate Base, 8 inch	5695	SY	\$7.50	\$42,712.50
13	30.24	Geogrid	4435	SY	\$4.05	\$17,961.75
14	30.25	Underdrain, 6 Inch, w/Geotextile Wrap	3075	LF	\$12.00	\$36,900.00
15	M802	Driveway Opening, Conc, Det M	404	LF	\$15.00	\$6,060.00
16	M802	Curb and Gutter, Conc, Det F-2	2221	LF	\$13.50	\$29,983.50
17	M501	HMA, 3C	550	TON	\$72.50	\$39,875.00
18	M501	HMA, 5E1	540	TON	\$80.00	\$43,200.00
19	30.27	Interlayer	4310	SY	\$4.50	\$19,395.00
20	30.28	Sidewalk Grading	13.9	STA	\$700.00	\$9,730.00
21	M803	Sidewalk, Conc, 4 Inch	7640	SF	\$3.40	\$25,976.00
22	30.29	ADA Ramp, Conc, 6 Inch	1140	SF	\$5.50	\$6,270.00
23	30.30	ADA Detectable Warning Plate	50	SF	\$22.00	\$1,100.00
24	30.31	Str Rehab Type 1: Point-Up Structure	2	EA	\$250.00	\$500.00
25	30.32	Str Rehab Type 2: Structure Cover Adjust	4	EA	\$350.00	\$1,400.00
26	30.33	Str Rehab Type 3: Reconstruct Structure	9	EA	\$700.00	\$6,300.00
27	30.34	Dr Structure Cover, Type B	6	EA	\$550.00	\$3,300.00
28	30.37	Restoration	1	LS	\$10,500.00	\$10,500.00
29	30.06	Permit Allowance (RCOC)	1	LS	\$250.00	\$250.00





Item No.	Ref Spec	Item Description	Qty	Unit	Unit Price (\$)	Total Price (\$)
30	30.36	Inspection Crew Days	37	DAY	\$640.00	23,680.00
<b>TOTAL BID PRICE:</b>						<b>\$ 454,915.25</b>

If the foregoing Bid shall be accepted by the OWNER, the undersigned agrees to enter into the attached form of Agreement within ten (10) days after receiving notice of such acceptance, will furnish the OWNER satisfactory bonds and certificates of insurance coverage, and will complete the Project, at the price and within the time stated in this Bid.

The undersigned further agrees that if the foregoing Bid shall be accepted, work will commence immediately after the Contract has been awarded, the Agreement executed, and a Notice to Proceed received. **The undersigned shall complete the work to Substantial Completion within 60 calendar days, and to Final Completion, including restoration and all punch list items, within 75 calendar days.** Substantial Completion shall be met when all roadway travel lanes are open, with no restrictions to normal traffic operations. Final Completion shall be met when all restoration items and punch-list work items have been completed.

The undersigned attaches hereto its Bid security, as required by the Advertisement for Bids and Instructions to Bidders. The undersigned agrees that in case it shall fail to fulfill its obligations under the foregoing Bid, and/or shall fail to furnish bonds, as specified, the OWNER may, at its option determine that the undersigned has abandoned its rights and interests in such Contract and that its Bid security accompanying its Bid; has been forfeited to the said OWNER, but otherwise the Bid security shall be returned to the undersigned upon the execution of the Contract and the acceptance of the bonds.

The undersigned also agrees that for each and every calendar day that he may be in default of Substantial Completion of the Work, within the time specified in this Bid, the OWNER will suffer a damage of **six-hundred dollars (\$600.00)** per day, and said OWNER shall be compensated therefore at the rate as liquidated damages in accordance with the Agreement.

**NAGLE PAVING COMPANY**  
**39525 W. 13 MILE, SUITE 300**  
**NOVI, MI 48377**





In submitting this Bid, it is understood that the right is reserved by the OWNER to accept any bid, to reject any or all Bids, and to waive irregularities in bidding in the interest of the OWNER.

SUBMITTED on JANUARY 28<sup>th</sup> 2015  
Date\*

39525 W. 13 MILE, SUITE 300  
Street\*

NOVI MI 48377  
City, State, ZIP\*

248-553-0600  
Telephone Number\*

248-553-0669  
Facsimile Number\*

sean@naglepaving.com  
E-Mail Address\*

BY: NAGLE PAVING COMPANY  
Name of Bidder\*

*Sean Morrissey*  
Signature

SEAN MORRISSEY / MANAGER  
Name and Title of Signatory\*

\*Typed or printed in ink.

NAGLE PAVING COMPANY  
39525 W. 13 MILE, SUITE 300  
NOVI, MI 48377



### BIDDER'S QUALIFICATION AND EXPERIENCE STATEMENT

The OWNER will require supporting evidence regarding Bidder's Qualifications and competency. The Bidder will be required to furnish all of the applicable information listed below, which must be submitted with the sealed Bid at the time of Bid Opening. The Qualifications and Experience Statement must be typewritten or neatly handwritten, and signed in ink. **IF THIS INFORMATION IS NOT SUBMITTED WITH THE SEALED BID AT THE TIME OF BID, THE BID WILL BE CONSIDERED INCOMPLETE.**

#### QUALIFICATIONS AND EXPERIENCE STATEMENT

The undersigned certifies under oath that the information provided herein is true and sufficiently complete so as not to be misleading.

Submitted to: CITY OF NOVI

Submitted by: NAGLE PAVING COMPANY

Name: SEAN MORRISSEY

Address: 39525 W. 13 MILE, SUITE 300

City, State, ZIP NOVI, MI 48377

Telephone Number: 248-553-0600 Fax Number: 248-553-0669

Principal Office: NOVI, MI

Corporation: X Joint Venture: \_\_\_\_\_

Partnership: \_\_\_\_\_ Other: \_\_\_\_\_

Individual: \_\_\_\_\_

Name of Project: 2014 NEIGHBORHOD ROAD PROGRAM - ASPHALT

#### Major Types of Work in this Project

Indicate the firm by name (your firm or subcontractors) who will be providing work in the following major areas of work on this project. References should be selected based on the major types of work listed.

Grading / General work: NAGLE PAVING

HMA Paving: NAGLE PAVING

Concrete Walk: NAGLE / TRETORI

Drainage Structure Rehabilitation: NAGLE PAVING.

NAGLE PAVING COMPANY  
39525 W. 13 MILE, SUITE 300  
NOVI, MI 48377



Experience Statements with references will be solicited from the selected Contractor or subcontractors performing any of the major types of work listed. References may be submitted with this bid or when requested.

UPON REQUEST

**Organization**

How many years has your organization been in business as a CONTRACTOR? 57+

How many years has your organization been in business under its present business name? 57+

Under what other business names has your organization operated?

N/A

If your organization is a corporation, answer the following:

Date of Incorporation: 1958 SPRING

State of Incorporation: MICHIGAN

President's Name: MIKE SANTI

Vice President's Name: ROB NAGLE

Secretary's Name: JAMES OLIVER

Treasurer's Name: CARRY BRENNAN

If your organization is a partnership, answer the following:

Date of Organization: N/A

Type of Partnership: \_\_\_\_\_

Names of General Partners: \_\_\_\_\_

If your organization is individually owned, answer the following:

Date of Organization: N/A

Name of OWNER: \_\_\_\_\_

If the form of your organization is other than those listed above, describe it and name the principals:





Licensing

List jurisdictional and trade categories in which your organization is legally qualified to do business (including relevant MDOT prequalifications), and indicate registration or license numbers, if applicable:

SEE MDOT PRE-QUALIFICATION STATEMENT ATTACHED.

List jurisdiction in which your organization's partnership or trade name is filed:

STATE OF MICHIGAN

Experience

List the categories of work that your organization normally performs with its own forces:

EARTHWORK, SITE UTILITY WORK, TRUCKING, GRADING, PAVING, CONCRETE INSTALLATION, ENGINEERING ETC.

On a separate sheet, list major construction projects your organization has *in progress*. List the name of project, owner, architect/engineer, contract amount, percent complete, and scheduled completion date.

UPON AWARD

On a separate sheet, list major construction projects your organization *has completed* in the past five (5) years. List the name of the project, owner, architect/engineer, contract amount, role (prime/sub), date of completion, and percentage of the cost of the work performed with your own forces.

UPON AWARD

On a separate sheet, list the construction experience and present commitments of the key individuals of your organization who would be employed in the Work.

UPON AWARD

Claims and Suits

If the answer to any of the questions below is yes, please attach details.

Has your organizations ever failed to complete any work awarded to it? NO

Are there any judgments, claims, arbitration proceedings or suits pending or outstanding against your organization or officers? N/A

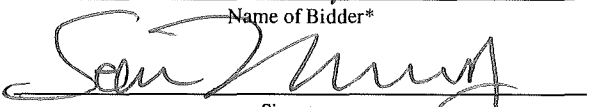
NAGLE PAVING COMPANY  
39525 W. 13 MILE, SUITE 300  
NOVI, MI 48377



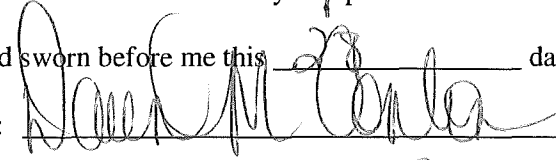
**References**

Entity	Contact Name	Phone
<i>Trade References</i>		
1. EDWARD C. LEVY CO	MAX BROWN	313-680-1600
2. STONE CO.	SEAN FLATTERLY	734-241-8966
3. CSI GOLF TURF	JEFF SWINNER	800-621-7807
<i>Bank References</i>		
1. COMERICA BANK	ROBERT BERTUCCI	248-442-1665
2.		
3.		
<i>Surety</i>		
WESTERN SURETY COMPANY		

Name of Bonding Company: WESTERN SURETY COMPANY  
 Name of Bonding Agent: GRIFFEN SMALEY WILKELSON INC.  
 Address of Bonding Agent: 37000 GRAND RIVER AVE.  
FARMINGTON HILLS, MI 48335

SUBMITTED on 1-28-2015 BY: NAGLE PAVING CO.  
Date\* Name of Bidder\*  
  
Signature  
SEAN MORRISSEY MANAGER  
Name and Title of Signatory\*

\*Typed or printed in ink.  
Sean Morrissey being duly sworn deposes and says that the information provided herein is true and sufficiently complete so as not to be misleading.

Subscribed and sworn before me this 28 day of JANUARY 2015.  
 Notary Public:   
 My Commission Expires: 12-27-18

**DAWN M. CONLON**  
 Notary Public, State of Michigan, County of Macomb  
 My Commission Expires December 27, 2018  
 Acting in the County of COVINGTON

**NAGLE PAVING COMPANY**  
 39525 W. 13 MILE, SUITE 300  
 NOVI, MI 48377





RICK SNYDER  
Governor

STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
Lansing

KIRK T. STEUDLE  
Director

September 15, 2014

Nagle Paving Company  
39525 W 13 Mile Rd Ste 300  
Novi MI 48377-2361

02114  
(248) 553-0600

*wow*

Dear Vendor:

In accordance with our Administrative Rules we have established your numerical rating which is based on a financial rating of \$154,523,000.00 covering the classifications in the amounts stated below. This prequalification rating is effective until April 30, 2016.

154523	Cb	Hot Mix Asphalt/Bituminous Paving
20000	Ea	Grading, Drainage Structures & Agg. Cons
2000	J	Concrete C, C&G, Driveways, Sidewalks
5000	N92D	Crushing & Shaping
5000	N93A	Cold Milling

It will be assumed that the rating is satisfactory unless the Prequalification Committee is notified in writing to the contrary within 15 days after the bidder has been advised of the rating granted. The Department, may declare a prequalified bidder ineligible to bid at any time because of developments subsequent to prequalification which, in their opinion, would affect the responsibility of the bidder or their ability to perform the contract work.

Jill D. Mullins  
Manager  
Construction Contracts Section  
Contract Services Division





Contract 1 Background as  
shared in October 23, 2014  
weekly packet

## MEMORANDUM

**TO:** ROB HAYES, DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER  
**FROM:** BRIAN COBURN, ENGINEERING SENIOR MANAGER *BTC*  
**SUBJECT:** 2014 NEIGHBORHOOD ROAD PROJECT UPDATE  
**DATE:** OCTOBER 22, 2014

---

The 2014 Neighborhood Road Program was awarded in three contracts this year. Contract 1 (asphalt) consisted of asphalt street rehabilitation in Haverhill Farms Subdivision, rehabilitation of portions of W. Lebost and Mallot Drive, and reconstruction of Wedgewood. Contract 2 (concrete) is now complete and included the rehabilitation of streets in Autumn Glen and a portion of Galway Drive. Contract 3 (additional concrete streets) is currently in design to rehabilitate a section of White Pines Drive for construction in spring 2015. The purpose of this memo is to provide an update on Contract 1-Asphalt and to discuss the contractor delays in Haverhill Farms.

Contract 1 was awarded to Pavex on June 16, 2014 and a Notice to Proceed was issued by the City on August 11, 2014. The contract provides the contractor with 75 days from the Notice to Proceed (October 25, 2014) to substantially complete the work, which means open to traffic with restoration remaining incomplete. The contract requires Pavex to be complete with the entire project (i.e., including restoration) within 90 days of Notice to Proceed (November 9, 2014). The contractor's original schedule showed a start date of August 10 and a completion date of October 12. Unfortunately, the contractor has not met that schedule or any of the subsequent progress schedules that have been provided.

Instead, the contractor milled the surface of all streets in Haverhill on August 27 and 28 and didn't start paving until October 9. The decreased pavement cross-section makes the street vulnerable to damage from loading by heavy vehicles, such as garbage trucks. While the contract specifically requires the contractor to pave immediately after milling the surface, the contractor would not comply. When the contractor paved on October 9 through 11, they only completed half of the subdivision. The remainder of the subdivision remains unpaved as of today. Further, the contractor chose to remove sections of sidewalk that were marked for replacement by the City, but did not replace the concrete before milling the streets. Unfortunately, the missing sidewalk sections cannot be replaced until the asphalt paving is complete to minimize damage to the milled streets from the heavy concrete trucks.

Staff and our consultant have sent numerous letters to the contractor requesting updated progress schedules and emphasizing the inconvenience to the property owners, along with the safety concerns related to the prolonged construction. Last week, we issued a work change directive to the contractor to remove the other two portions of the project (Wedgewood and LeBost/Mallott) from Pavex's contract since there is not enough time left in the construction season for the contractor to complete these components of the project. Instead, these parts will be re-bid and awarded to a different contractor in spring 2015.

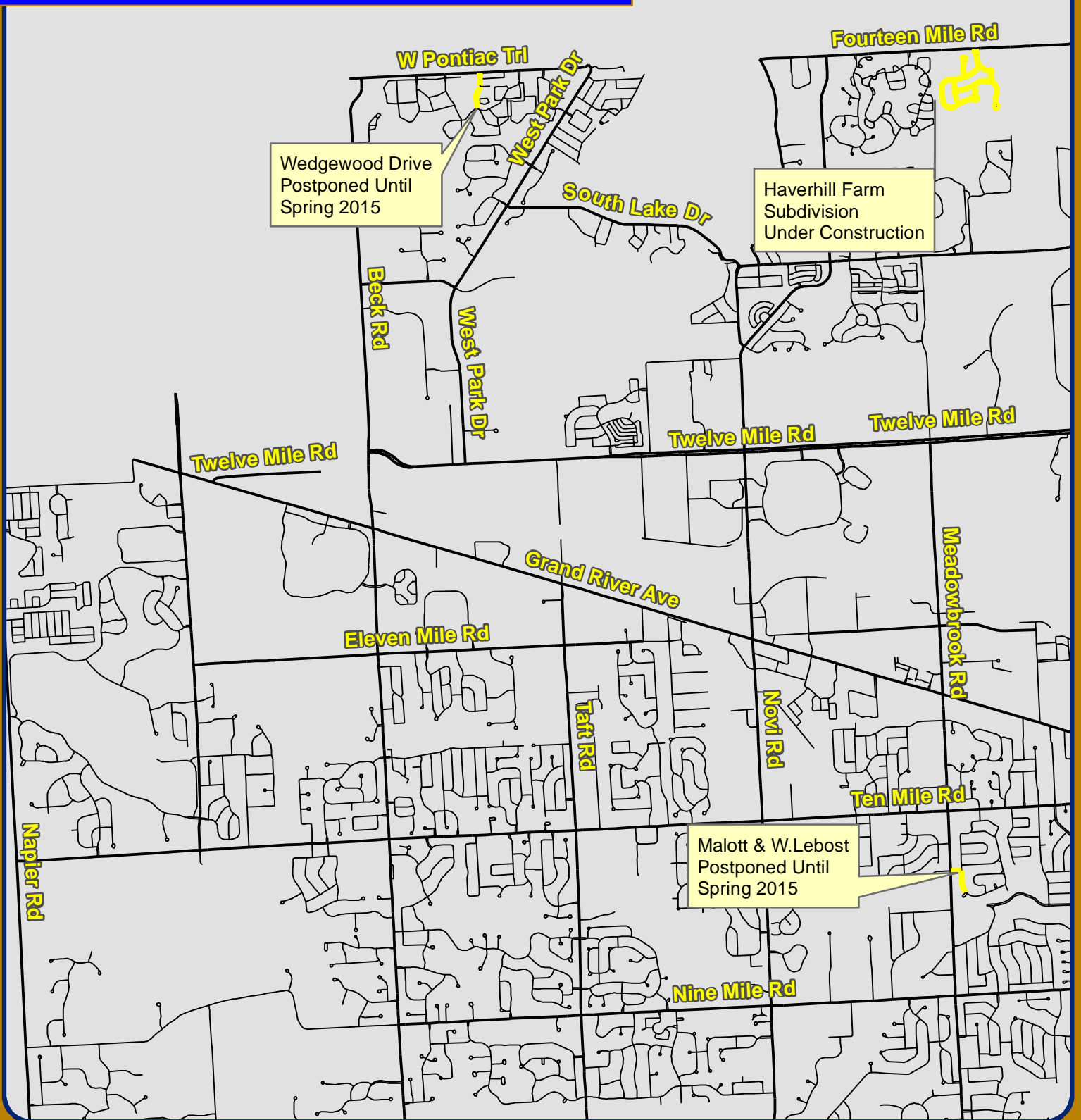
The residents in Haverhill have been more than patient. I attended their HOA meeting last week to answer questions and update them on the issues we have had with the contractor and provide the latest updates on schedule. There is a lot of concern about the missing concrete sections of sidewalk, especially with Halloween coming next week. We are diligently communicating with the contractor every day toward completion of this project. We also have a contingency plan in place to temporarily fill the missing sidewalk segments with gravel for Halloween if the contractor again fails to meet the schedule provided. We have been communicating with the HOA board several times per week to keep them posted on what to expect and when.

We are also working closely with the City Attorney to identify and pursue all legal remedies available to us under the contract, while still working with the contractor to complete the work that they have started. The City has the right to use the contractor's performance bond, which would trigger the surety to step in and require the contractor to complete the work or to hire a new contractor to complete the work. However, given the time of year and the amount of time the performance bond process takes, the work may not be completed before winter.

We will continue to diligently pursue completion of this project. Please refer to the attached correspondence for additional background information.

# 2014 NEIGHBORHOOD ROAD PROGRAM

Asphalt Streets-Updated Schedule




Map Author: Coburn  
 Date: 10/22/14  
 Project: 2014 NRP  
 Version #: v2.1

**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.

**Map Legend**

 2014 Asphalt



1 inch = 3,850 feet



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





September 11, 2014

Mr. Brian Morrison  
President  
Pavex Corporation  
2654 Van Horn Road  
Trenton, MI 48183

Re: City of Novi – 2014 Neighborhood Road Program - Asphalt  
Job No.: NV13-010

Dear Mr. Morrison:

The City has started to receive numerous calls concerning the concrete that has been removed for drives and sidewalk. The walks are very dangerous to negotiate for the elderly and small children. These areas are starting to show signs of undermining at the drives and walks adjacent to what was removed. Please understand that Pavex will be responsible to remove and replace all of those additional surfaces at your own expense. If you choose to place the concrete before the wearing course is placed, any associated damage to the pavement will also be repaired at your expense.

We also asked for an updated schedule September 4, 2014 when we met on site to discuss the progress of the Project and manpower committed to it. Please provide that schedule. The Home Owners Association has a meeting scheduled later this month and want to provide the residents a time frame on when items of work are expected to get completed.

Lastly, there are some areas where the curb was damaged by the big mill and the mini mill removing the HMA wearing course. These areas as well as a couple of catch basins with deficient concrete will need to be replaced prior to placing the HMA wearing course to provide a uniform finish with the rest of the pavement.

Let us know by the end of work Friday, September 12, 2014, how and when Pavex will be addressing these issues listed above. Contact me if you have any questions.

Sincerely,

**SPALDING DEDECKER ASSOCIATES, INC.**

John E. Becht  
Project Engineer

Cc: Mr. Brian Coburn, PE – City of Novi  
Mr. Aaron Staup – City of Novi  
Ms. Cheryl Gregory, PE - SDA



September 16, 2014

Mr. Brian Morrison, President  
Pavex Corporation  
2654 Van Horn Road  
Trenton, MI 48183

Re: City of Novi 2014 Neighborhood Road Program - Asphalt  
Performance and Schedule Notification

**CITY COUNCIL**

**Mayor**

Bob Galt

**Mayor Pro Tem**

Dave Staudt

Andrew Mutch

Justin Fischer

Wayne Wrobel

Laura Marie Casey

Gwen Markham

**Interim City Manager**

Victor Cardenas

**Director of Public Services/  
City Engineer**

Rob Hayes, P.E.

Dear Mr. Morrison:

The City of Novi is concerned over the lack of progress to date on the above referenced Project. Specifically, we are concerned with the lack of progress in Haverhill Farms Subdivision since the HMA pavement was milled, and we are becoming increasingly concerned that this portion of the contract along with the rest of the project may not be completed this construction season. Pavex has taken a significant amount of time to complete only a small portion of the work to date. Our consultant, Spalding DeDecker, issued a letter to Pavex regarding lack of progress and requested an updated schedule, among other deficiencies, to which no response has been received.

This project was awarded to Pavex on June 16, 2014 and a pre-construction meeting was held on July 15, 2014. It wasn't until August 11, 2014 that the City was provided with the required bonds and insurance to allow the City to issue the Notice to Proceed. The substantial completion date in the Notice to Proceed is October 25, 2014 to complete all of the streets in Haverhill, as well as Wedgewood and Mallot/LeBost. Typically, a contractor is on-site within 6 weeks of the Notice of Award; however it took more than two months for Pavex to begin work.

In reviewing your progress schedule, most work has been started later than anticipated and has taken longer than anticipated to complete. The roads were milled on Wednesday, August 27, 2014 and Thursday, August 28, 2014. Identifying areas for the HMA Surface Repair started Friday, August 29, 2014. The intent of "Specification 30.15 Haverhill Farms Subdivision – Continuous Work" is for the Contractor to work continuously on the pavement repairs and limit the time of exposure of the milled surface in order to minimize damage to the pavement. Pavement surface repair did not begin until Monday, September 8, 2014, when a crew started to remove the areas identified for repair nine days after the surface was milled, instead of the next day as contemplated in your schedule and in-line with the continuous work requirement of the Contract. As of Monday, September 15, 2014, approximately 4,600 SY of the estimated 5,788 SY HMA Surface Repair has been completed; however your schedule anticipated all of the repairs to be completed within those seven days.

**Department of Public Services**

Field Services Complex  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
248.735.5640  
248.735.5659 fax

cityofnovi.org



We are concerned that even if all the remaining tasks in your progress schedule were completed as stated, you would still not meet your substantial completion date. The lack of progress of the completed tasks makes us believe that the substantial completion date may extend past the end of the paving season. As of Friday, September 12, 2014, Pavex has used 32.5 crew days, or 65%, of the 50 crew days established in the Contract. Based on our estimate, only 25% of the work has been completed to date. There is still deficient work noted in SDA's September 11, 2014 letter that remains unaddressed and will impact the remaining schedule.

This concern is compounded by the deteriorating conditions in the field caused by lengthy exposure of the milled surface to loading contrary to the specification. Additionally, we believe that the deterioration has been further exacerbated by your choice of equipment and how you chose to complete the work. You are reminded that additional pavement damaged by Pavex's operation will be corrected at your expense and time will not be added to the contract for preventable damage to the pavement surface. The pavement is continuing to show new signs of distress due to the normal traffic as well as the heavy loads placed by the Contractor's equipment over the thinner pavement.

The edges of the milled roads continue to break up adjacent to the curbs due to prolonged exposure. SDA's inspector has repeatedly asked for additional plastic drums to be placed along the gutter line, as shown on Sheet No. 32 of the Contract Drawings to keep traffic away from the thinner edges; this request has been ignored. Per Specification 30.13 Maintaining Traffic, flagmen are required to direct traffic either to an alternate route or to maintain traffic through a part-width construction area. Flagmen have rarely been used, and only when there is imminent danger as pointed out by the SDA inspector. The lack of appropriate flag control poses a safety issue and causes unnecessary delay to motorists.

Finally, I want to express my concern regarding the prolonged impact on our residents caused by the slow progress being made by the Contractor. This protracted inconvenience to our residents was avoidable and is unacceptable. The more this project gets delayed, the less patient these residents are likely to become. This reflects poorly on the City and on the Contractor.

Per Section 6.04 of the Standard General Conditions, you shall adhere to the progress schedule or submit proposed adjustments to the City for review. **We expect that this will occur no later than noon on Thursday, September 18, 2014.** Failure to provide an updated progress schedule will trigger Section 15.02 of the Standard General Conditions regarding termination of the contract and notification of your surety.

If you have any questions regarding this please contact us at 248-347-0454

Sincerely



Aaron Staup  
Construction Engineering Coordinator



Brian Coburn, P.E.  
Engineering Senior Manager

Cc: Ben Croy, PE; Civil Engineer  
Rob Hayes, PE; Director of Public Services/City Engineer  
Beth Saarela, City Attorney  
Cheryl Gregory, PE – SDA  
John Becht - SDA



September 24, 2014

Mr. Brian Morrison  
President  
Pavex Corporation  
2654 Van Horn Road  
Trenton, MI 48183

Re: City of Novi – 2014 Neighborhood Road Program - Asphalt  
Job No.: NV13-010

Dear Mr. Morrison:

The City of Novi and Spalding DeDecker Associates (SDA) met on site yesterday with Pavex's subcontractor, Road Tech, installing the interlayer fabric to hear their comments on the condition of the road surface. Road Tech personnel indicated that the condition of the pavement surface did not meet installation specifications at numerous locations.

Regarding the schedule, we continue to be concerned that Pavex will not be able to meet the milestones set forth in the progress schedule submitted on September 19, 2014. The wearing course will not be placed this week as projected on the schedule and the road surface continues to deteriorate with every day it is left unpaved. The number of phone calls received from unhappy residents are increasing daily with complaints over the condition of road, concrete drives and walks

Please let us know immediately when the wearing course will be placed and how Pavex expects to achieve a final completion date of October 28, 2014.

Sincerely,

**SPALDING DEDECKER ASSOCIATES, INC.**

John E. Becht  
Project Engineer

Cc: Mr. Brian Coburn, PE – City of Novi  
Mr. Aaron Staup – City of Novi  
Ms. Cheryl Gregory, PE - SDA





October 3, 2014

Mr. Brian Morrison  
President  
Pavex Corporation  
2654 Van Horn Road  
Trenton, MI 48183

Re: City of Novi – 2014 Neighborhood Road Program – Asphalt  
Progress Schedule  
Job No.: NV13-010

Dear Mr. Morrison:

The City of Novi and Spalding DeDecker Associates (SDA) continue to be concerned that Pavex is not meeting the milestones set forth in the progress schedule submitted on September 19, 2014. The wearing course was not placed this week even though it was projected to be done by September 26, 2014. The road surface continues to deteriorate with every day it is left unpaved.

Several curb sections damaged during the milling operation and brought to your attention in our letter dated September 11, 2014 are still not repaired. The SDA site representative has mentioned it numerous times to Pavex's site representative Dan Dingman. As stated in the September 11 letter, these areas need to be repaired prior to placing the HMA wearing course. Please provide an updated schedule showing when the concrete deficiencies will be repaired and when the HMA wearing course will be placed in the Haverhill Subdivision.

We also want to inform you that Pavex has currently used 52.75 crew days (2.75 crew days over the 50 crew days in the proposal) and work has not even started at Lebest/Malott and Wedgewood. As stated in the Contract, "If work under the contract is incomplete when the Contractor has expended the number of crew days stated in the proposal, subsequent payments to the Contractor shall include a deduction item for the excess crew days".

Please let us know by the close of work today how Pavex expects to achieve a substantial completion date of October 25, 2014.

Sincerely,

**SPALDING DEDECKER ASSOCIATES, INC.**

A handwritten signature in blue ink, appearing to read 'John E. Becht', is written over a faint, larger version of the same signature.

John E. Becht  
Project Engineer

Cc: Mr. Brian Coburn, PE – City of Novi  
Mr. Aaron Staup – City of Novi  
Ms. Cheryl Gregory, PE - SDA

Engineering Consultants



Site Work • Underground Utilities • Asphalt Paving

---

October 8, 2014

Mr. Brian Coburn  
City of Novi  
Department of Public Services  
Field Services Complex  
26300 Lee BeGole Drive  
Novi, MI 48375

RE: City of Novi 2014 Neighborhood Road Program – Asphalt  
Paving schedule

Dear Mr. Coburn,

This letter is written to discuss the schedule for the remaining work at the Haverhill Subdivision. As we all know, the scope of the project included multiple work items that had to be completed, in sequential order, to improve the existing pavement in order to prepare a foundation for a 2" thick asphalt overlay.

The work items completed include the following:

1. Cold milling HMA special
  - 2" deep at the curbs and 1" deep at the center of the road. In addition "the engineer may direct the depth to be adjusted during the milling operation +/- .5" due to field conditions such as scabbing or delamination"
2. HMA surface repair
  - Removing and replacing asphalt materials
3. Joint and crack cleanout modified

Since the above operations have been laid out by the engineer and completed by Pavex. We have been instructed to perform additional work to remove residual thin delaminated asphalt that is not well bonded to the lower asphalt layer. The asphalt layer requiring removal is .25" to .5" thick and was left in place after the initial milling process. We have been instructed to scrape off this material and to replace it with asphalt. We have been doing this additional work for 5 days at this point and it is expected that more areas will be found.

---

2654 Van Horn Road  
Trenton, MI 48183  
734-676-6220, telephone  
734-818-1685, fax  
pavexco@gmail.com



Site Work • Underground Utilities • Asphalt Paving

---

We have divided the Haverhill Farms into 3 areas, since our goal is to install the pavement surface (along with the interlayer) in 3 phases.

Phase 1            Paisley Circle  
(Yellow)        Kingsley Court  
                     2 small cul-de-sacs

Phase 2            The back end – West  
(Pink)

Phase 3            The exit roads  
(Blue)

The idea is to keep the asphalt truck traffic off the freshly paved roads.

We recognized that each phase will not only require installing asphalt pavement and interlayer, but may require some additional thin delaminated material scraping and removal and hand patching to replace material that is not bonded to the underlying asphalt. While it would have been much preferred to have adjusted the milling depth to remove this delaminated material, it was not directed and as a result it must now be done immediately ahead of the paving operation.

We propose that each phase includes (in addition to the asphalt paving crew) a crew to remove and replace the delaminated, unbonded material directly in front of the interlayer installation. This crew will consist of:

	<u>Hourly Including Operator</u>
Broom tractor or sweeper truck	\$130
2 laborers @ \$54/ea	\$108
1 raker @ \$56	\$ 56
1 loader/backhoe & operator	\$130
1 asphalt roller & operator	\$ 90
1 distributor & operator	\$110

We propose that, the above personnel and equipment be authorized to remove the delaminated, unbonded material, that was left in place after the milling operation and the Pavex be paid for this added work. In addition any asphalt material to be measured and paid at the appropriate tonnage rate.



Site Work • Underground Utilities • Asphalt Paving

---

We will be requesting additional time to complete and inspection charges be added to the contract for the work, including the 5 day we have completed through October 8<sup>th</sup> and added time for the quantity increases.

We project that, weather permitting, this work should be completed in 3-4 work days. Once the asphalt is installed and cured, we will complete the concrete sidewalks.

At this time we plan to start the paving operation Thursday, October 9<sup>th</sup> and complete Monday October 11<sup>th</sup>.

Please let me know that this is acceptable.

We look forward to a successful completion of the project.

Sincerely,

A handwritten signature in black ink that reads "Tom Morrison". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Thomas G Morrison

Attachment: Color coded sketch

---

2654 Van Horn Road  
Trenton, MI 48183  
734-676-6220, telephone  
734-818-1685, fax  
pavexco@gmail.com

Spalding DeDecker  
Associates, Inc.



Engineering Consultants  
Infrastructure • Land Development • Surveying

905 South Blvd. East  
Rochester Hills, MI 48307  
Phone: (248) 844-5400  
Fax: (248) 844-5404

1435 Randolph, Suite 400  
Detroit, MI 48226  
Phone: (313) 967-4700  
Fax: (313) 967-4707

39293 Plymouth, Suite 102  
Livonia, MI 48150  
Phone: (734) 671-4344  
Fax: (734) 671-4347

www.sda-eng.com  
(800) 598-1600



**3 WORKING DAYS  
BEFORE YOU DIG  
CALL MISS DIG.  
1-800-482-7171**  
For the location of most utility lines

NOTE: UTILITY INFORMATION ON THIS DRAWING MAY BE FROM INFORMATION DISCLOSED TO THIS FIRM BY THE VARIOUS UTILITY COMPANIES, CITY/COUNTY AGENCIES AND OTHER VARIOUS SOURCES. UNDERGROUND UTILITIES WHICH ARE ON PRIVATE PROPERTY ARE USUALLY NOT DELINEATED UPON A UTILITY COMPANY'S PUBLISHED PLANS. THEIR LOCATION, IF SHOWN UPON THIS SURVEY, ARE APPROXIMATED FROM FOUND PAIN MARKS/STAKES, ETC. AS LOCATED BY THIS FIRM FROM SOURCES WHICH ARE UNKNOWN. NO GUARANTEE IS GIVEN AS TO THE COMPLETENESS OR ACCURACY THEREOF.

PRIOR TO CONSTRUCTION, ALL LOCATIONS AND DEPTHS OF EXISTING UTILITIES (IN CONFLICT WITH PROPOSED IMPROVEMENTS) SHALL BE VERIFIED IN THE FIELD. CALL MISS DIG 3 WORKING DAYS PRIOR TO CONSTRUCTION.

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**CITY OF NOVI  
2014 NEIGHBORHOOD  
ROAD PROGRAM  
ASPHALT**

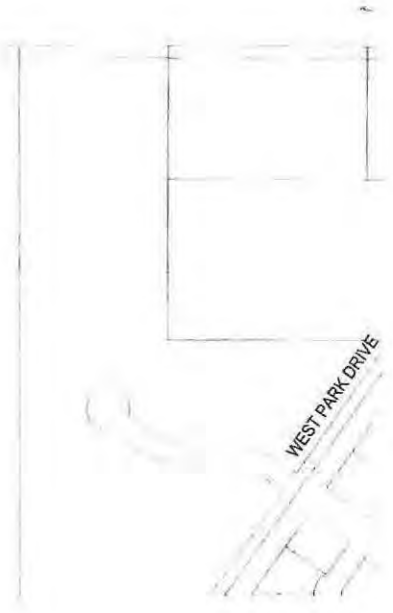
**PROJECT LOCATION PLAN**

SECTIONS 1, 4, 25  
TOWN 1 NORTH RANGE II EAST  
CITY OF NOVI  
OAKLAND COUNTY

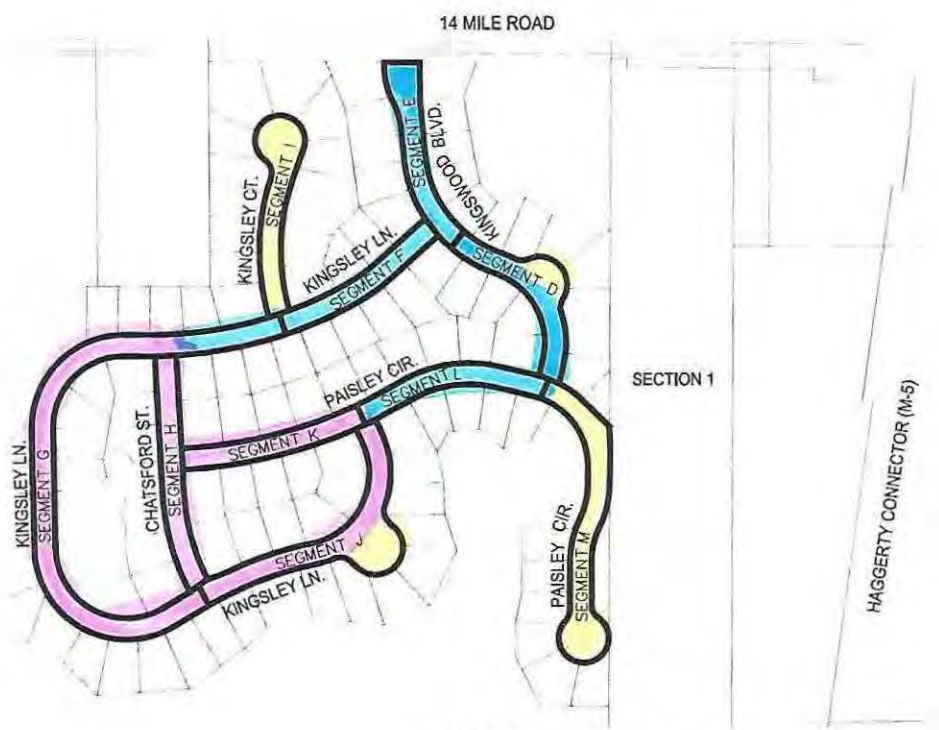
NO.	DATE	REVISION
1	02/18/14	ISSUED FOR REVIEW
2	04/25/14	ISSUED FOR 90% REVIEW
3	05/14/14	ISSUED FOR BID

DRAWER B. VIDEAN	DATE 12-09-13
DESIGNER T. LINDOW	DATE 12-09-13
CHECKER G. GODLEY	DATE 05-02-14
PROJECT MANAGER C. GREGORY	BID PLAN DATE 05-14-14
DEPARTMENT MANAGER APPROVAL	DATE

VERIFY SCALES BAR IS ONE INCH ON ORIGINAL DRAWING IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.	
JOB NO. NV13010	DRAWING NO. NV13010CV
SCALE: 1" = 250'	SHEET NO. 2



DAY 1   
 DAY 2   
 DAY 3



**HAVERHILL FARMS  
SEGMENTS D THRU M**





October 22, 2014

**CITY COUNCIL**

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
Dave Staudt

Andrew Mutch

Justin Fischer

Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

**City Manager**  
Peter E. Auger

**Director of Public Services/  
City Engineer**  
Rob Hayes, P.E.

**Field Operations Senior  
Manager**  
Matt Wiktorowski

**Engineering Senior Manager**  
Brian Coburn, P.E.

**Water & Sewer Senior  
Manager**  
Tim Kuhns, P.E.

Tom Morrison  
Pavex  
2654 Van Horn Road  
Trenton, MI 48183

Re: 2014 Neighborhood Road Program (Asphalt)

Dear Mr. Morrison:

This letter is in response to your letter dated October 8, 2014 regarding the proposed schedule for completion of paving in Haverhill. The letter also introduced several assertions that conflict with the contract documents.

As we discussed in previous correspondence and in the field, the City is disappointed with Pavex's slow progress on this project. Pavex has not performed according to any of the previously provided schedules including the one in your October 8 letter. Paragraph 6.04 of the General Conditions of the contract requires the contractor to "adhere to the Progress Schedule" and requires the contractor to submit proposed adjustments to the Engineer for acceptance. It is our expectation that Pavex will submit updated progress schedules for review and will continue to work toward completion of the project to limit the inconvenience to our residents.

You seem to assert that the Engineer is responsible for directing the milling depth based on site conditions. Specifically, you cite the language in Section 30.21 of the specifications stating that the "engineer may direct the depth to be adjusted during milling operations +/- 1/2 inch due to field conditions such as scabbing or delamination at no additional cost" and construe it to mean that if the engineer does not direct an adjustment that it was not required or that the engineer would be responsible. The intent of the statement is not to require the engineer to act, but to allow the engineer to act within that 1/2 inch limitation at no extra cost. Multiple contract provisions confirm that the Engineer is not responsible for directing the Work:

- Section 9.09 of the General Conditions states "Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction." It further states: "Engineer will not be responsible for Contractor's failure to perform the work in accordance with the Contract Documents."

**Department of Public Services**  
Field Services Complex  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
248.735.5640  
248.735.5659 fax

cityofnovi.org

- Section 30.27 of the specification states: "Any deviations or alterations or any work not specifically called for in the plans yet deemed necessary to install paving interlayer and approved by the Engineer shall be considered incidental to constructing paving interlayer and shall not be paid for separately."

Overall, Section 6.01 of the contract requires the Contractor to supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract documents. In accordance with this provision, the Contractor is expected to know when it is necessary to adjust the milling depth in accordance with field conditions. Section 30.21 simply allows the Engineer to direct a ½ inch adjustment at no additional cost to the Owner. There is no provision that requires the Engineer to direct the Work. To the contrary, Section 9.09 specifically states that the Engineer shall not supervise, direct, control or have authority over or be responsible for Contractor's means, methods, techniques, or procedures of construction.

The contract is very clear that the contractor is responsible for the means and methods by which the project gets constructed, not the engineer. Therefore, a claim that Pavex is not responsible for costs associated with a lack of direction from the engineer would be denied since this is clearly not the role of the engineer.

Furthermore, your assertion that the City should pay Pavex for the additional personnel and equipment that Pavex elected to bring on site to remove the delaminated, unbonded material that was left in place after the milling operation is not supported by the Contract. The need to remove the delaminated, unbonded material arises from the Contractor's failure to properly assess field conditions. It is the Contractor's responsibility to correct defective Work at its own cost pursuant to Section 13.06 of the Contract. Furthermore, specification section 30.27 quoted above is clear that this work would be incidental to the pay item for the paving interlayer. The specification states that the interlayer pay item includes "all equipment, materials, and labor necessary to prepare milled surfaces for laying said paving interlayer." Pavex did not address the milled surface with the engineer and did not request additional milling depth to remove the delaminated surface to achieve the results required in section 30.27. Additionally, the delamination was exacerbated by Pavex's disregard for the continuous work provision in Section 30.15, which states:

Once work commences within Haverhill Farms Subdivision, the Contractor shall proceed with work continuously until the paving operation within Haverhill Farms Subdivision is complete in order to limit the time of exposure of the milled surface and minimize damage accordingly. The contractor will be held responsible for additional HMA Surface Repair outside of the areas identified in the field by the engineer if unnecessary damage is caused by the Contractor's operations and/or delays.

Therefore, a claim asserting additional costs related to the milling depth or the preparation of the milled surface for the fabric interlayer would likely be denied.

Your letter suggests that you plan to request additional contract time. While the owner and engineer do not control the means, methods, operations, or sequence of work by the contractor, we do specify the contract time. We believe that the contract time provided was reasonable and that a typical contractor using typical means and methods along

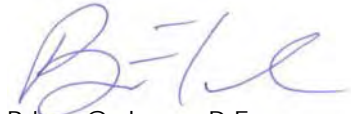
with adequate resources would have completed the work within the contract time. Section 12.03 of the General Conditions states: "Contractor shall not be entitled to an adjustment in Contract Price or Contract Time for delays within the control of the Contractor." Pavex has not provided information to demonstrate that this requirement has been met.

Finally, your letter mentions crew days and requests additional crew days. Crew days are used as the basis of bid evaluation as well as to offset costs to the city when contractors exceed the number of crew days in the bid. Additional crew days are a direct cost to the City and would need to be substantiated in your claim. No information has been provided in that regard.

Again, the City and our residents have been more than patient and are extremely disappointed with the slow progress by Pavex. I believe that it is in everyone's best interest to complete the work in Haverhill as soon as possible.

Sincerely,

ENGINEERING DIVISION

A handwritten signature in blue ink, appearing to read "B-Coburn", is written over the typed name.

Brian Coburn, P.E.  
Engineering Senior Manager

cc: Brian Morrison, President, PAVEX  
Rob Hayes, Director of Public Services/City Engineer  
Aaron Staup, Construction Engineering Coordinator  
John Becht, Spalding DeDecker  
Paul Swartz, Spalding DeDecker



October 14, 2014

Mr. Brian Coburn, PE, Engineering Senior Manager  
City of Novi  
26300 Lee BeGole Drive  
Novi, Michigan 48375

Re: **Recommendation for Reduction**  
2014 Neighborhood Roads Program – Asphalt  
SDA Project No.: NV13-010

Dear Mr. Coburn:

Spalding DeDecker Associates, Inc. (SDA) is recommending to the City of Novi that a change order be issued to Pavex Corporation removing the portions of the 2014 Neighborhood Road Program-Asphalt that include Wedgewood Drive, Lebest Drive and Malott Drive. Per Article 10.01 Authorized Changes in the Work, the Owner may order deletions or revisions in the Work by a Change Order or Work Change Directive. We cite the following:

1. Inability to Maintain Schedule - SDA received a progress schedule when the Contractor started, which identified September 16, 2014 as the completion date for the HMA improvements in Haverhill Farms Subdivision. The schedule allowed 21 calendar days to complete the HMA paving; 9 calendar days were allowed for 5788 SY of HMA Surface Repair. Even the additional 2068 SY of HMA Surface Repair that was added does not justify the additional time spent to date. Pavex submitted another schedule on September 18, 2014 which identified September 26, 2014 as the next date the HMA would be completed in the subdivision. Another correspondence from Pavex dated October 8, 2014 indicates paving is to be complete by Monday, October 11th (sic), which is presumed to be Monday October 13, 2014. Although further schedules have been requested, none have been received. Today is October 14, 2014 and the paving is not yet complete.
2. Site Supervision - Article 6.01, Supervision and Superintendence states that "At all times during the progress of the Work, Contractor shall assign a competent resident superintendent". SDA has witnessed three different foremen on site since the work began and several days of work without any supervision.
3. Site Safety and Protection - Article 6.13, Safety and Protection states "Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work". There are areas where drives, sidewalks and ramps have been left open to the public since August 25, 2014. Leaving these areas inaccessible for this excessive length of time creates a hardship on the residents and exposes them to an





## SPALDING DEDECKER ASSOCIATES, INC.

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

unsafe condition for an unacceptable length of time. Neighborhood children are having to negotiate these areas frequently in order to get to the school bus stops and other area residents are unable to use the sidewalks for recreational purposes.

In the Agreement, it is stated, "It is mutually understood and agreed that time is of the essence of this Contract. In the event of delay in completion of the Work beyond the period herein prescribed, or beyond the period to which said time shall be extended by the Owner in accordance with the General Conditions of the Contract, the Owner will experience damages". We are now very near the date of Substantial Completion, October 25, 2014, when liquidated damages will come into play. Alternately, it is our recommendation to abbreviate the Contract scope and direct Pavex Corporation to conclude this Contract upon completion of the Haverhill Farms Subdivision work.

Very Truly Yours,

**SPALDING DEDECKER ASSOCIATES, INC.**

John E. Becht

cc: Cheryl Gregory, PE, SDA Director of Engineering

Engineering Consultants

Infrastructure • Land Development • Surveying





October 22, 2014

**CITY COUNCIL**

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
Dave Staudt

Andrew Mutch

Justin Fischer

Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

**City Manager**  
Peter E. Auger

**Director of Public Services/  
City Engineer**  
Rob Hayes, P.E.

**Field Operations Senior  
Manager**  
Matt Wiktorowski

**Engineering Senior Manager**  
Brian Coburn, P.E.

**Water & Sewer Senior  
Manager**  
Tim Kuhns, P.E.

Brian Morrison, President  
Pavex Corporation  
2654 Van Horn Road  
Trenton, MI 48183

VIA OVERNIGHT DELIVERY

Re: Change Order No. 1  
2014 Neighborhood Road Program –Asphalt

Dear Mr. Morrison:

Please find enclosed Work Change Directive No. 1 and Change Order No. 1 fully executed by the City of Novi. The reduction in work was recommended by the Engineer in the attached recommendation letter. Pursuant to Section 10.01 of the General Conditions of the agreement, the "Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work by a Change Order, or Work Change Directive." The City is electing, per the Engineer's recommendation, to remove portions of the project as detailed in the change order from this project. Please note that the City has not proposed any reduction in contract time or crew days as a result of the decreased scope.

These documents were provided to Tom Morrison via email on October 8, 2014, which was one week ago and we have heard no comments and no response in that regard. **We expect that Pavex will execute the attached documents and return them to my attention within 48 hours of receipt.**

Sincerely,

Brian Coburn, P.E.  
Engineering Senior Manager

cc: Tom Morrison, Pavex Corporation (via email)  
Rob Hayes, Director of Public Services/City Engineer  
Aaron Staup, Construction Engineering Coordinator  
John Becht, Spalding DeDecker Associates

**Department of Public Services**  
Field Services Complex  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
248.735.5640  
248.735.5659 fax

cityofnovi.org



**WORK CHANGE DIRECTIVE No. 1**

**Project:** 2014 NRP - Asphalt

**Owner:** City of Novi  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
(248) 735-5632

**Engineer:** Spalding DeDecker & Associates, Inc.  
905 South Boulevard East  
Rochester, Michigan 48307  
(248) 844-5400

**Contractor:** Pavex Corporation  
2654 Van Horn Road  
Trenton, Michigan 48183  
(734) 676-6220

**Drafted Date:** October 14, 2014

**Reasoning:** This Work Change Directive removes Wedgewood Drive, Lebest Drive and Malott Drive from the Contract.

**Existing Contract Items**

Item No.	Division	Item Description	Unit	Unit Price	Quantity	Contract Price	
						Add	Deduct
0	30.36	Inspection "Crew Days"	CD	\$640.00		<input type="checkbox"/>	<input type="checkbox"/>
3	30.12	Soil Erosion Control	LS	\$3,900.00	0.36		\$1,404.00
4	30.13	Maintaining Traffic	LS	\$8,200.00	0.5		\$4,100.00
5	30.14	Tree Protective Fencing	LF	\$2.84	1158		\$3,288.72
6	30.16	Remove Sidewalk	SF	\$0.65	900		\$585.00
7	30.17	HMA Surface, Rem	SY	\$3.60	1400		\$5,040.00
9	30.19	Pavement, Rem	SY	\$6.48	3815		\$24,721.20
13	M205	Excavation, Earth	CY	\$14.81	2380		\$35,247.80
14	30.23	Subgrade Undercut (As Need	CY	\$41.33	700		\$28,931.00
15	M302	Aggregate Base, 6 inch	SY	\$5.68	1325		\$7,526.00
16	M302	Aggregate Base, 8 inch	SY	\$7.62	5695		\$43,395.90
17	30.24	Geogrid	SY	\$2.50	4435		\$11,087.50
18	30.25	Underdrain, 6 Inch, w/Geotex	LF	\$8.80	3075		\$27,060.00
20	M802	Driveway Opening, Conc, Del	LF	\$11.48	404		\$4,637.92
<b>Subtotals</b>						\$0.00	\$197,025.04
<b>Total</b>							<b>-\$197,025.04</b>

**New Contract Items**

Item No.	Division	Item Description	Unit	Unit Price	Quantity	Contract Price		
						Add	Deduct	
21	M802	Curb and Gutter, Conc, Det F	LF	\$11.48	2221		\$25,497.08	
23	M501	HMA, 3C	TON	\$79.13	550		\$43,521.50	
24	M501	HMA, 5E1	TON	\$87.56	540		\$47,282.40	
25	30.27	Interlayer	SY	\$3.22	4310		\$13,878.20	
26	30.28	Sidewalk Grading	STA	\$500.00	13.9		\$6,950.00	
27	M803	Sidewalk, Conc, 4 Inch	SF	\$2.85	7640		\$21,774.00	
28	30.29	ADA Ramp, Conc, 6 Inch	SF	\$5.25	1140		\$5,985.00	
29	30.3	ADA Detectable Warning Plat	SF	\$21.00	50		\$1,050.00	
30	30.31	Str Rehab Type 1: Point-Up S	EA	\$300.00	2		\$600.00	
31	30.32	Str Rehab Type 2: Structure C	EA	\$400.00	4		\$1,600.00	
32	30.33	Str Rehab Type 3: Reconstru	EA	\$600.00	9		\$5,400.00	
34	30.34	Dr Structure Cover, Type B	EA	\$475.00	6		\$2,850.00	
35	M823	Hydrant Relocate, Case 2	EA	\$3,380.00	2		\$6,760.00	
37	30.37	Restoration	LS	\$29,340.00	0.65		\$19,071.00	
						<b>Subtotals</b>	\$0.00	\$202,219.18
						<b>Total</b>		<b>-\$202,219.18</b>

<b>Estimated Increase/Decrease in Contract Price</b>	<b>-\$399,244.22</b>
<b>Original Contract Amount</b>	<b>\$1,166,944.70</b>
<b>Sum of Previous Approved Change Orders</b>	<b>\$0.00</b>
<b>Estimated Revised Contract Amount</b>	<b>\$767,700.48</b>

THE CHANGES ADDRESSED BY THIS CHANGE ORDER HEREBY ADJUSTS THE CONTRACT TIME BY:  Day(s)

Accepted By: \_\_\_\_\_  
Pavex Corporation

Date: \_\_\_\_\_

Prepared By: John E. Bell  
Spalding DeDecker & Associates, Inc.

Date: 10/22/2014

Reviewed By: B. Coburn  
Brian Coburn, P.E., Engineering Manager

Date: 10/22/14

Approved By: R. Hayes  
Rob Hayes, P.E., Dir of Public Services/City Engineer  
and

Date: 10/22/14

Approved By: Sue Moriant  
Sue Moriant, Purchasing Manager

Date: 10/22/14





**Project:** 2014 NRP - Asphalt

**Owner:** City of Novi  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
(248) 735-5632

**Engineer:** Spalding DeDecker & Associates, Inc.  
905 South Boulevard East  
Rochester, Michigan 48307  
(248) 844-5400

**Contractor:** Pavex Corporation  
2654 Van Horn Road  
Trenton, Michigan 48183  
(734) 676-6220

**Drafted Date:** October 14, 2014

**Description/Reasoning:** This Change Order removes Wedgewood Drive, Lebest Drive and Malott Drive from the Contract

To the Contractor: You are hereby directed to comply with the changes to the contract documents. This change order reflects work completed or anticipated. Documentation supporting these changes are on file with the City of Novi's Engineer. Current project plans and specifications will be adhered to unless specifically changed by this change order document.

THE CONTRACT AMOUNT SHALL BE CHANGED BY THE SUM OF:	<b>-\$399,244.22</b>
ORIGINAL CONTRACT AMOUNT:	\$1,166,944.70
SUM OF PREVIOUS APPROVED CHANGE ORDERS:	\$0.00
REVISED CONTRACT AMOUNT:	<b>\$767,700.48</b>

\*\*\*Where applicable, attach the corresponding number of Work Change Directive to this Change Order.\*\*\*

THE CHANGES ADDRESSED BY THIS CHANGE ORDER HEREBY ADJUSTS THE CREW DAY TIME BY:  Day(s)      ADD:       DEDUCT:

THE CHANGES ADDRESSED BY THIS CHANGE ORDER HEREBY ADJUSTS THE CONTRACT TIME BY:  Day(s)



Accepted By: \_\_\_\_\_  
Pavex Corporation

Date: \_\_\_\_\_

Prepared By: John C. Beall  
Spalding DeDecker & Associates, Inc.

Date: 10/22/2014

Reviewed By: BCE  
Brian Coburn, P.E., Engineer Manager

Date: 10/22/14

Approved By: R. Hayes  
Rob Hayes, P.E., Dir of Public Services/City Engineer

Date: 10/22/14

and

Approved By: Sue Moriani  
Sue Moriani, Purchasing Manager

Date: 10/22/14



CHANGE ORDER No. 2

**Project:** 2014 NRP - Asphalt

**Owner:** City of Novi  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
(248) 735-5632

**Engineer:** Spalding DeDecker & Associates, Inc.  
905 South Boulevard East  
Rochester, Michigan 48307  
(248) 844-5400

**Contractor:** Pavex Corporation  
2654 Van Horn Road  
Trenton, Michigan 48183  
(734) 676-6220

**Drafted Date:** January 12, 2015

**Description/Reasoning:** This Change Order balances Contract items of work completed.

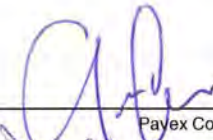
To the Contractor: You are hereby directed to comply with the changes to the contract documents. This change order reflects work completed or anticipated. Documentation supporting these changes are on file with the City of Novi's Engineer. Current project plans and specifications will be adhered to unless specifically changed by this change order document.

THE CONTRACT AMOUNT SHALL BE CHANGED BY THE SUM OF:	<b>-\$100,980.29</b>
ORIGINAL CONTRACT AMOUNT:	\$1,166,944.70
SUM OF PREVIOUS APPROVED CHANGE ORDERS:	-\$399,244.22
REVISED CONTRACT AMOUNT:	<b>\$666,720.19</b>

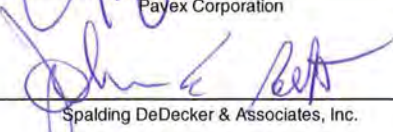
\*\*\*Where applicable, attach the corresponding number of Work Change Directive to this Change Order.\*\*\*

THE CHANGES ADDRESSED BY THIS CHANGE ORDER HEREBY ADJUSTS THE CREW DAY TIME BY:  Day(s)      ADD:       DEDUCT:

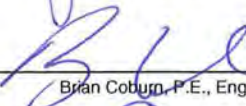
THE CHANGES ADDRESSED BY THIS CHANGE ORDER HEREBY ADJUSTS THE CONTRACT TIME BY:  Day(s)

Accepted By:   
Pavex Corporation

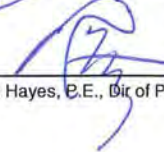
Date: 1/28/14

Prepared By:   
Spalding DeDecker & Associates, Inc.

Date: 01/28/2015

Reviewed By:   
Brian Coburn, P.E., Engineer Manager

Date: 1/29/15

Approved By:   
Rob Hayes, P.E., Dir of Public Services/City Engineer  
and

Date: 1/29/15

Approved By: \_\_\_\_\_  
Sue Morianti, Purchasing Manager

Date: \_\_\_\_\_



**WORK CHANGE DIRECTIVE No. 2**

**Project:** 2014 NRP - Asphalt

**Owner:** City of Novi  
26300 Lee BeGole Dr.  
Novi, Michigan 48375  
(248) 735-5632

**Engineer:** Spalding DeDecker & Associates, Inc.  
905 South Boulevard East  
Rochester, Michigan 48307  
(248) 844-5400

**Contractor:** Pavex Corporation  
2654 Van Horn Road  
Trenton, Michigan 48183  
(734) 676-6220

**Drafted Date:** January 12, 2015


**Reasoning:** The purpose of this work change directive is to balance quantities to compensate the contractor for work already completed.

**Existing Contract Items**

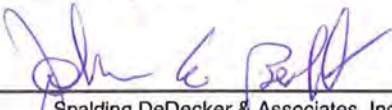
Item No.	Division	Item Description	Unit	Unit Price	Quantity	Contract Price	
						Add	Deduct
0		Inspection "Crew Days"	GD	\$640.00		<input type="checkbox"/>	<input type="checkbox"/>
6		Remove Sidewalk	SF	\$0.65	693.00	\$450.45	
8		HMA Surface, Repair	SY	\$14.00	1968.13	\$27,553.82	
10		Driveway, Remove	SY	\$9.00	-56.00		\$504.00
11		Cold Milling HMA, Special	SY	\$2.68	3264.01	\$8,747.55	
12		Rem. Conc. Curb & Gutter	LF	\$14.00	-149.40		\$2,091.60
14		Subgrade Undercut	CY	\$41.33	-1100.00		\$45,463.00
15		Aggregate Base, 6-inch	SY	\$5.68	-382.40		\$2,172.03
18		Underdrain, 6-inch, Geowrap	LF	\$8.80	-2637.00		\$23,205.60
19		Driveway, Conc., 6-inch	SY	\$45.50	-51.65		\$2,350.08
22		Conc. Curb & Gutter, Mod.	LF	\$22.93	-214.40		\$4,916.19
23		HMA, 3C	Ton	\$79.13	-470		\$37,161.10
24		HMA, 5E1	Ton	\$87.56	-64.11		\$5,613.47
25		Interlayer	SY	\$3.22	-967.89		\$3,116.61
<b>Subtotals</b>						\$36,751.82	\$126,593.68
<b>Total</b>							<b>-\$89,841.86</b>






Accepted By:   
Pavex Corporation

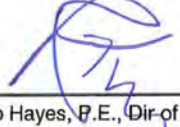
Date: 1-28-14

Prepared By:   
Spalding DeDecker & Associates, Inc.

Date: 01/28/2015

Reviewed By:   
Brian Coburn, P.E., Engineering Manager

Date: 1/29/15

Approved By:   
Rob Hayes, P.E., Dir of Public Services/City Engineer

Date: 1/29/15

and

Approved By: \_\_\_\_\_  
Sue Morianti, Purchasing Manager

Date: \_\_\_\_\_