



CITY of NOVI CITY COUNCIL

Agenda Item H
August 24, 2015

SUBJECT: Approval to award an amendment to the engineering services agreement with URS Corporation for additional construction engineering services for the Grand River Avenue Right Turn Lane Extension (at Beck Road) in the amount of \$33,760; and approval of a resolution to amend the budget to add \$33,760 to this line item.

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

CITY MANAGER APPROVAL: *[Signature]*

EXPENDITURE REQUIRED	\$33,760
AMOUNT BUDGETED	\$0
APPROPRIATION REQUIRED	\$33,760 (additional property tax revenue)
LINE ITEM NUMBER	204-204.00-805.623

BACKGROUND INFORMATION:

The extension of the existing westbound right turn lane on Grand River Avenue approaching Beck Road received a federal congestion mitigation air quality improvement grant for 2014 construction. The grant was capped, but was to cover 80% of the estimate construction costs for the project. The City approved a cost participation agreement with Michigan Department of Transportation (MDOT) on July 21, 2014 in advance of the construction bid opening on August 1, 2014. MDOT handles bidding and contract administration for all federally funded projects. Staff learned during the bid process that MDOT had selected this project to be restricted only to contractors participating in the Small Business Program. The low bid was 24% over the engineer's estimate; however, staff recommended proceeding with the project in order to get it completed in 2014 as intended, especially since the additional cost to the City was minimal because of the grant.

The low bidder for the project, Hart & Associates, spent several months working with MDOT to provide the required bonding and insurance to proceed with award of the project. It wasn't until March 12, 2015 that MDOT finally awarded the project; seven months after bids were opened. Throughout this delay, staff was in contact with the top management at MDOT at Metro Region and in Lansing urging them to either award the contract to the next low bidder or to expedite the bonding process with the low bidder. As part of the Small Business Program, MDOT opted to work with the low bidder to provide the necessary paperwork.

The project was awarded to Hart & Associates on March 12, 2015 and they provided a progress schedule showing that construction would commence on April 17, 2015, would be open to traffic on May 12, and meet the contract completion date of May 30. The project wasn't actually open to traffic until June 23 and is still not fully complete, a full year after the project was bid. The contractor made very slow progress in completing the work

and several times had to remove and replace recently completed work due to errors or other workmanship related issues.

The delays on this project have resulted in additional time by the City's consultant not only for construction engineering work but also for inspection. As a small business project, MDOT offered weekly pay estimates to the contractor instead of bi-weekly, which resulted in not only double the number of pay estimates to process, but even more estimates because the project has been open for so long. Additionally, the contractor had to re-do several work items and made slow progress resulting in additional inspection time beyond the budget prepared by staff for a typical project.

The federal grant for this project is capped; therefore all additional costs for this project are the responsibility of the City as the requesting party. The City has filed a claim for liquidated damages in line with MDOT's standard specifications in the amount of \$22,000 (the maximum allowed) to help the City partially offset the additional costs that we have incurred as a result of the Small Business Program and the contractor. Staff is awaiting a decision from MDOT on the status of this claim. Staff has also requested that MDOT find additional funds to uncap the grant and offset the additional costs to the City resulting from this project.

Staff has reviewed the attached requests for additional services and recommends award. Since these additional funds are not budgeted, a budget amendment resolution has been prepared to recognize additional property tax revenue and a reduction in chargebacks to offset these increased expenditures.

We will continue to work with MDOT and the contractor toward final completion of the project this summer and resolution of any claims.

RECOMMENDED ACTION: Approval to award an amendment to the engineering services agreement with URS Corporation for additional construction engineering services for the Grand River Avenue Right Turn Lane Extension (at Beck Road) in the amount of \$33,760; and approval of a resolution to amend the budget to add \$33,760 to this line item.

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

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

RESOLUTION

NOW, THEREFORE BE IT RESOLVED that the following
Budget Amendment for the engineering for Grand River/Beck Right
Turn Lane Project is authorized:

	INCREASE (DECREASE)
MUNICIPAL STREET FUND	
REVENUES	
Property Tax Revenue	33,760
TOTAL REVENUES	\$ 33,760
APPROPRIATIONS	
Capital Outlay	33,760
TOTAL APPROPRIATIONS	\$ 33,760
Net Increase (Decrease) to Fund Balance	\$ -

I hereby certify that the foregoing is a true and complete copy of a
resolution adopted by the City Council of the City of Novi
at a regular meeting held on August 24, 2015

Maryanne Cornelius
City Clerk

Grand River/Beck Right Turn Lane Extension

Westbound Grand River Ave at Beck Rd



Map Author: Croy
Date: 7/9/2013
Project: GR/Beck RT Trn Lane Ext
Version #: v1.0



1 inch = 250 feet



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

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.

Authorization for Additional Services #1

Project: **Engineering Services for Grand River Rt Turn Lane** Date: July 31, 2015
Purchase Order # 000094315

Description of Additional Services

The additional services include additional inspection to be added to the contract for Grand River Right Turn Lane extension. The Contract, Hart & Associates Construction, LLC has required additional crew days by URS than what was originally included in the contract. The additional crew days are based on the extra work required due to Hart not meeting the project progress clause.

Original scope of work:

- Crew days authorized for original scope: 30 days @ \$640/day = \$19,200.

Amount authorized for original scope: \$19,200.00

Proposed scope of work:

- Additional Crew Days: 34 days @ \$640/day = \$21,760.00

Proposed budget amount for new scope: \$40,960.00

Based on the revised scope of services, we request authorization for an increase of \$21,760.00 to the amount authorized under the previous scope of services.

URS Corporation Great Lakes

Requested by:  Date: 07/31/15
Sean Kelsch, Vice-President

CITY OF NOVI

Reviewed by:  Date: 8/5/15
Brian Coburn, Engineering Manager

Approved by:  Date: 8/5/15
Rob Hayes, Director of Public Services

Approved by: _____ Date: _____
Sue Morianti, Purchasing Manager

Authorization for Additional Services #2

Project: **Engineering Services for Grand River Rt Turn Lane** Date: Aug 10, 2015
Purchase Order # 000094315

Description of Additional Services

The additional services include additional administration time to be added to the contract for Grand River Right Turn Lane extension. The Contract, Hart & Associates Construction, LLC has required additional administration by URS than what was originally included in the contract. The additional time is based on the extra work required due to Hart not meeting the project progress clause.

Original scope of work:

- Construction Administration authorized for original scope: \$13,996.00.

Proposed scope of work:

- Additional Construction Administration: \$12,000.00.

Proposed budget amount for new scope: \$25,996.00

Based on the revised scope of services, we request authorization for an increase of \$12,000.00 to the amount authorized under the previous scope of services.

URS Corporation Great Lakes

Requested by: Sean Kelsch Date: 08/10/15
Sean Kelsch, Vice-President

CITY OF NOVI

Reviewed by: _____ Date: _____
Brian Coburn, Engineering Manager

Approved by: _____ Date: _____
Rob Hayes, Director of Public Services

Approved by: _____ Date: _____
Sue Morianti, Purchasing Manager