



CITY of NOVI CITY COUNCIL

Agenda Item 3
June 5, 2017

SUBJECT: Approval of a cost participation agreement with the Road Commission for Oakland County for the construction of Napier Road (Nine Mile Road to Ten Mile Road) paving project in the amount of \$148,238.00.

SUBMITTING DEPARTMENT: Department of Public Services, Engineering Division GDM

CITY MANAGER APPROVAL: *PA*

EXPENDITURE REQUIRED	\$ 148,238.00
AMOUNT BUDGETED	\$ 446,666.00
LINE ITEM NUMBER	204-204.00-863.513

BACKGROUND INFORMATION:

The Road Commission for Oakland County (RCOC) has a proposed 'modern' roundabout project at the intersection of Napier Road and Ten Mile Road and the paving of Napier Road between Nine and Ten Mile Roads. Both phases of the project will improve the safety of motorists and will include the removal of the hill (cut down by 3' +/-) on the south side of Ten Mile Road west of Napier, which is currently creating a sight distance issue when looking westward.

The estimated construction cost for the project is \$6,261,300 and the Michigan Department of Transportation (MDOT) will provide \$4,796,848 in project funding. The remaining cost will be split between the City of Novi, Lyon Township and RCOC. The City's construction share of the project is \$148,238. The City has already paid their share of the design engineering (\$25,000) and right-of-way acquisition costs (\$83,334) for the project thus far.

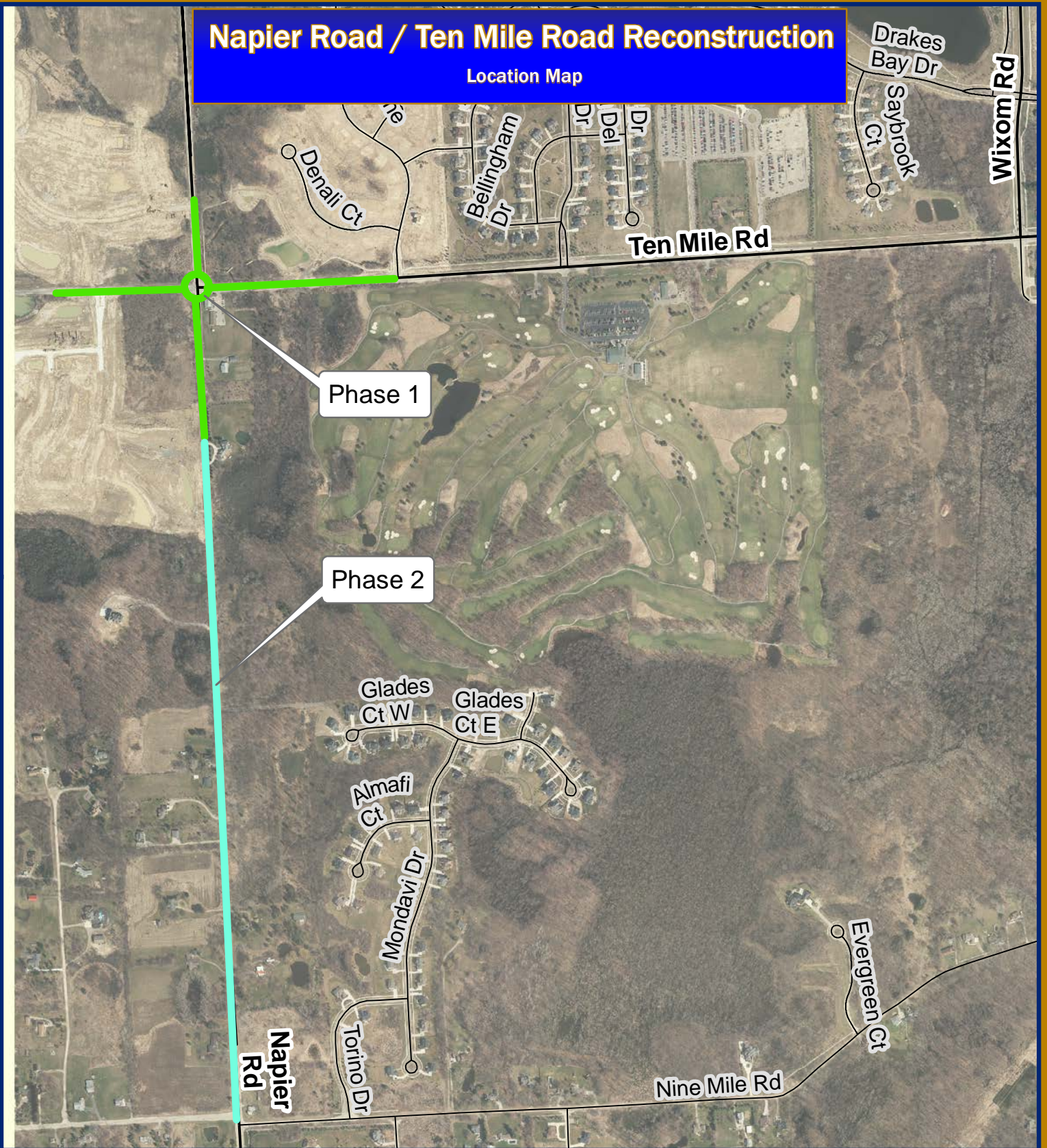
The City Attorney has reviewed the attached local cost share agreement and finds that it is sufficient for the purpose of assigning estimated project costs between the City and the Road Commission.

It is anticipated that the construction for this project will be completed next year. The first phase which includes the roundabout at Napier Road and Ten Mile Road will begin in mid-July 2017. The second phase of paving Napier Road from Nine Mile Road to Ten Mile Road is expected to begin in late April 2018.

RECOMMENDED ACTION: Approval of a cost participation agreement with the Road Commission for Oakland County for the construction of Napier Road (Nine Mile Road to Ten Mile Road) paving project in the amount of \$148,238.00.

Napier Road / Ten Mile Road Reconstruction

Location Map

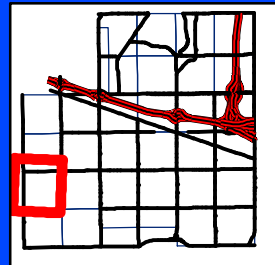


Phase 1

Phase 2

Legend

- Phase 1
- Phase 2



City of Novi

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



1 inch = 833 feet



Map Author: J. Mathias
 Date: 5/30/17

Amended By:
 Date:
 Department:

MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



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www.jrsjlaw.com

May 26, 2017

George D. Melistas, Engineering Senior Manager
CITY OF NOVI
City of Novi
45175 Ten Mile Road
Novi, MI 48375-3024

Re: Cost Participation Agreement – Napier Road 9 Mile to 10 Mile Road

Dear Mr. Melistas:

We have received and reviewed the Cost Participation Agreement prepared by the Board of County Road Commissioners (Board) for the cost of the repaving of Napier Road between 9 Mile and 10 Mile Roads and related improvements. The cost of the Project will be \$6,261,300 and will be shared by the Board, Oakland County, the City, and Lyon Township. A Federal Surface Transportation Grant will pay for \$4,796,848 of the Project. Lyon Township and the Board will enter into a separate agreement for the assignment of Lyon Township's Tri-Party contributions for the project. The enclosed Cost Participation Agreement provides for the payment by Novi of \$108,938 (one-third of Novi's Tri-Party amount of \$326,813) plus a \$39,300 additional contribution. Novi's share will be collected by the Board with 50% due at the time the contract is executed and the remaining 50% as the work progresses. Any excess project costs will be shared 50% by the Board of County Road Commissioners, 25% by Lyon Township, and 25% by Novi.

The Agreement is provided for the limited purpose of setting forth how the project costs will be divided between the named parties. The Board will contract separately for completion of the Project and will be reimbursed by the City and Oakland County for their proportionate share of the costs.

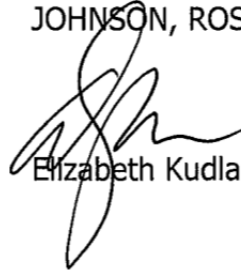
Based on the limited purpose and scope of the contract, we see no legal impediment to entering into the Agreement with the Board.

If you have any questions regarding the above, please do not hesitate to contact me.

George D. Melistas, Engineering Senior Manager
May 26, 2017
Page 2

Very truly yours,

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

A handwritten signature in black ink, appearing to read 'Elizabeth Kudla Saarela', written over the printed name.

Elizabeth Kudla Saarela

EKS

Enclosure

C: Cortney Hanson, Clerk (w/Enclosure)
Joey Mathias, Graduate Engineer (w/Enclosure)
Thomas R. Schultz, Esquire (w/Enclosure)

COST PARTICIPATION AGREEMENT

CONSTRUCTION

Napier Road

9 Mile Road to 10 Mile Road

City of Novi

Board Project No. 52111

This Agreement, made and entered into this _____ day of _____, 2017, by and between the Board of County Road Commissioners of the County of Oakland, Michigan, hereinafter referred to as the BOARD, and the City of Novi, hereinafter referred to as NOVI, provides as follows:

WHEREAS, the BOARD, NOVI, and the Charter Township of Lyon, hereinafter referred to as LYON, in cooperation with the Michigan Department of Transportation, hereinafter referred to as MDOT, have programmed the reconstruction of Napier Road from 9 Mile Road to 10 Mile Road including the construction of a roundabout at Napier and 10 Mile Road, as described in Exhibit "A", attached hereto, and made a part hereof, which improvements involve roads under the jurisdiction of the BOARD and within LYON and NOVI, which improvements are hereinafter referred to as the PROJECT; and

WHEREAS, the estimated total cost of the PROJECT is \$6,261,300; and

WHEREAS, the BOARD will enter into a contract with MDOT for partial funding of the PROJECT with federal program dollars under the Federal Surface Transportation Program in the amount of \$4,796,848; and

WHEREAS, the BOARD, as the requesting party therein, will be the party financially responsible to MDOT to bear all costs of the PROJECT in excess of federal funds, hereinafter referred to as the LOCAL SHARE; and

WHEREAS, NOVI'S share of said LOCAL SHARE involves certain designated and approved Tri-Party Program funding in the amount of \$326,813, which shall be paid through equal contributions by the BOARD, NOVI, and the Oakland County Board of Commissioners, hereinafter referred to as the COUNTY; and

WHEREAS, all the parties hereto have reached a mutual understanding regarding the cost sharing for the LOCAL SHARE and wish to commit that understanding to writing in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in conformity with applicable law, it is hereby agreed between NOVI and the BOARD that:

1. LYON and NOVI approve of the PROJECT, declare its public necessity, and authorizes the BOARD and MDOT to perform or cause to be performed, and complete the PROJECT along with all administration in reference thereto.
2. The PROJECT shall include total payments to the contractor.
3. The estimated total LOCAL SHARE of \$1,464,452 shall be shared 50% by the BOARD, 25% by LYON, and 25% by NOVI. Any costs incurred by RCOC prior to this agreement date shall be allowable.
4. The LOCAL SHARE shall be funded and invoiced simultaneously as follows:
 - a. The Board shall contribute 50% of the LOCAL SHARE, estimated in the amount of \$732,226.
 - b. LYON shall contribute 25% of the LOCAL SHARE, estimated in the amount of \$366,113 (\$116,116 in Tri-Party Program funds and a \$249,997 contribution).
 - c. NOVI shall contribute 25% of the LOCAL SHARE, estimated in the amount of \$366,113 (\$326,813 in Tri-Party Program funds and a \$39,300 contribution).
 - d. Any LOCAL SHARE overages shall be shared 50% by the BOARD, 25% by LYON, and 25% by NOVI.
5. Upon execution of this agreement, the BOARD shall submit an invoice to NOVI in the amount of \$74,119 (being 50% of NOVI'S Tri-Party contribution of \$108,938 and 50% of NOVI'S additional contribution of \$39,300).

6. Upon execution of this agreement and approval by the COUNTY, the BOARD shall submit an invoice to the COUNTY in the amount of \$108,938 (being 100% of the COUNTY'S Tri-Party contribution).
 - a. The invoice shall be sent to:

Lynn Sonkiss, Manager of Fiscal Services
Executive Office Building
2100 Pontiac Lake Road, Building 41 West
Waterford, MI 48328
7. As costs of the PROJECT are incurred, the BOARD shall invoice NOVI for the remaining 50%.
8. The total actual LOCAL SHARE will be determined from the records of the BOARD upon completion of State financial audits of the PROJECT and a final determination of the total federal funds used on the PROJECT. Final adjustments in the financial obligations of the parties hereto will be made upon completion of the required audits.
9. Upon receipt of said invoice(s), the NOVI and the COUNTY shall pay to the BOARD the full amount thereof, within thirty (30) days of such receipt.
10. The BOARD shall execute a separate Cost Participation Agreement with LYON, for their share of the estimated PROJECT cost.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and date first written above.

BOARD OF ROAD COMMISSIONERS OF THE
COUNTY OF OAKLAND
A Public Body Corporate

By _____

Its _____

CITY OF NOVI

By _____

Its _____

EXHIBIT A
TRI - PARTY PROGRAM
 Napier Road
 9 Mile Road to 10 Mile Road
 City of Novi
 Board Project No. 52111

Reconstruction of Napier Road from 9 Mile Road to 10 Mile Road including a roundabout at Napier Road and 10 Mile Road.

ESTIMATED PROJECT COST

Contractor Payments	\$6,261,300
Less Federal Funds	<u>\$4,796,848</u>
Total Estimated Local Share	<u><u>\$1,464,452</u></u>

COST PARTICIPATION BREAKDOWN

	LYON	NOVI	COUNTY	BOARD	TOTAL
FY16 Tri-Party Program	\$0	\$471	\$471	\$471	\$1,413
FY17 Tri-Party Program	\$38,705	\$108,467	\$147,172	\$147,172	\$441,516
Contribution	\$249,997	\$39,300	\$0	\$732,226	\$1,021,523
TOTAL SHARES	\$288,702	\$148,238	\$147,643	\$879,869	\$1,464,452