

Memorandum



Date: April 8, 2026
To: Buchanan City Commission
From: Tony McGhee
Subject: Contract Award – Prein and Newhof Engineering Services

Background

The original scope of the City’s downtown redevelopment initiative was scaled back to align with available budget with a plan to complete the deferred work in phases as funding was available. The City has been able to secure \$1.4 million in grant funding to complete some of the originally planned work that was removed from the original project scope. The overall project cost for the next phase is estimated to be \$2.2 million with the additional funds for the project included in the City’s FY26/27 budget.

With the funding sources identified for the next phase of construction, the City is ready to proceed with the predevelopment and design process. Initial scoping and cost estimating have been completed and in order continue progress on this effort, the City must complete the necessary preliminary engineering work and prepare a USDA Rural Development application, which includes both a Preliminary Engineering Report and Environmental Report. This work is a critical step in securing additional funding and advancing the project toward final design and construction. The City is also leveraging Congressionally Directed Spending and MDOT Small Urban Program funding to support these improvements which includes the following scope:

- Oak Street (Front to Dewey) – Full reconstruction and utility replacement.
- Dewey Parking Lot – Replace existing sanitary sewer through the lot; mill and replace HMA pavement; replace select sidewalk sections; add dumpster pads and enclosures.
- Parking Lot (SE side of Days Avenue) – Mill and repave; install new storm sewer; replace select concrete.
- Days Avenue (on-street parking) – Add 8–12 parking spaces, including removal of curb and trees and sidewalk replacement.
- Parking Lot (NE side of Oak and Roe) – Mill and repave; remove and replace sunken curb; remove and replace sidewalk sections for ADA ramp reconstruction.

Proposal Summary

Prein and Newhof has submitted a proposal to provide professional engineering services to assist with the USDA Rural Development application and to complete preliminary engineering work for the project. The scope of services includes preparation of the USDA application materials, environmental and cultural resource coordination including SHPO review, preliminary cost estimating, topographical surveying, base mapping, and soil borings.

The firm has indicated that this work can be completed within approximately three to four months following authorization, with preliminary engineering occurring concurrently. This timeline aligns with the City's overall project schedule, which anticipates final design in late 2026 and construction in 2027.

The proposed services will be completed on an hourly basis with a not-to-exceed fee of \$74,000. Design engineering, permitting, bidding, and construction phase services are not included in this proposal and will be brought forward at a later date for Commission consideration.

Recommendation

Staff recommends that the City Commission approve the award of the professional engineering services contract to Prein and Newhof in an amount not to exceed \$74,000 for USDA Rural Development application support and preliminary engineering services associated with Downtown Infrastructure Project Phase 2. A portion of the funding for the work is available in the City's current budget with the balance included in the City's 2026/27 proposed budget. These two budget cycles and available funding align with the proposed scope and timing of work.

Approval of this contract will allow the City to move forward with securing funding, completing required preliminary work, and maintaining the project schedule necessary to advance this important infrastructure investment for the community.

Attachment A: Prein and Newhof Proposal

Attachment A



April 8, 2026

Mr. Tony McGhee, City Manager
City of Buchanan
302 N. Redbud Trail
Buchanan, MI 49107

RE: Professional Engineering Services
United States Department of Agriculture – Rural Development (USDA-RD)
Downtown Infrastructure Project – Phase 2
Project Planning Document and Preliminary Engineering

Dear Mr. McGhee:

Thank you for the opportunity to provide this proposal for your consideration. This proposal outlines professional engineering services to support the City's USDA-RD application and to complete preliminary data collection for the upcoming Downtown Infrastructure Project – Phase 2. The project includes water system improvements, sanitary sewer replacement, and parking lot rehabilitation.

It is our understanding that the City intends to complete the following improvements:

1. **Oak Street (Front to Dewey)** – Full reconstruction and utility replacement.
2. **Dewey Parking Lot** – Replace existing sanitary sewer through the lot; mill and replace HMA pavement; replace select sidewalk sections; add dumpster pads and enclosures.
3. **Parking Lot (SE side of Days Avenue)** – Mill and repave; install new storm sewer; replace select concrete.
4. **Days Avenue (on-street parking)** – Add 8–12 parking spaces, including removal of curb and trees and sidewalk replacement.
5. **Parking Lot (NE side of Oak and Roe)** – Mill and repave; remove and replace sunken curb; remove and replace sidewalk sections for ADA ramp reconstruction.

We also understand that the City will receive funding through Congressionally Directed Spending (CDS) and an MDOT Small Urban Grant to support these improvements.

Part 1 - USDA – RD Application:

Our proposed services for the USDA-RD application include:

- Prepare the USDA-RD application, including the Environmental Report and Preliminary Engineering Report (PER).
- Complete a cultural resource desktop review and coordinate with the State Historic Preservation Office (SHPO), including an archaeological evaluation of the project area.
- Prepare updated preliminary cost estimates.

Design engineering, drafting, construction plans and specifications, permitting, easement acquisition, and bidding assistance are not included in this proposal. As part of the USDA-RD application, we will develop engineering cost estimates and provide a separate proposal for full engineering services for the City's consideration.

Part 2 – Preliminary Engineering:

Our preliminary engineering scope includes:

- Topographical survey.
- Prepare survey base mapping.
- Complete 13 soil borings (150 VF Total)

Schedule

We anticipate completing the USDA-RD application within 3–4 months of authorization. Rural Development typically provides a response within 1–2 months thereafter. Preliminary engineering services will be completed concurrently during this period.

Following completion of preliminary engineering, we will prepare a full engineering services contract for incorporation into the USDA-RD application. The anticipated overall schedule includes final design in late 2026, permitting during winter 2026, and construction in 2027.

Fee Estimate

We propose to perform these professional services on an hourly basis plus expenses, billed monthly, with a not-to-exceed fee of **\$74,000**. A Professional Services Agreement is attached for your review. If acceptable, please sign and return the agreement.

We appreciate the opportunity to submit this proposal and look forward to continuing our professional relationship with the City of Buchanan. Please feel free to contact us with any questions.

Sincerely,

Prein&Newhof



Michael Schwartz, P.E.

MAS:par

Enclosures: Professional Services Agreement (2 pg.) Terms & Conditions (4 pg.)
Fee Schedule (1 pg.)

Project No. _____

Professional Services Agreement

This Professional Services Agreement is made this ____ day of _____, _____ (“Agreement”) by and between Prein & Newhof, Inc. (“P&N”), of 1707 South Park Street, Ste 200, Kalamazoo, MI 49001, and the City of Buchanan (“Client”), of 302 N. Redbud Trail, Buchanan, MI 49107.

WHEREAS Client intends to:

Obtain as needed Engineering Services related to United States Department of Agriculture – Rural Development (USDA-RD) Downtown Infrastructure Project – Phase 2, including Project Planning Document and Preliminary Engineering

NOW THEREFORE, for and in consideration of the terms and conditions contained herein, the parties agree as follows:

ARTICLE 1 – DESIGNATED REPRESENTATIVES

Client and P&N each designate the following individuals as their representatives with respect to the Project.

For P&N

Name: Michael Schwartz, P.E.

Title: Project Manager

Phone Number: (269) 443-5882

Facsimile Number: (616) 364-6955

E-mail: mschwartz@preinnewhof.com

For Client

Name: Tony McGhee

Title: City Manager

Phone Number: (269) 695-3844

E-mail: tmcghee@cityofbuchanan.com

ARTICLE 2 – GENERAL CONDITIONS

This Agreement consists of this Professional Services Agreement and the following documents which by this reference are incorporated into and made a part of this Agreement.

- P&N Standard Terms and Conditions for Professional Services
- P&N Proposal dated 4/8/2026
- P&N Standard Rate Schedule
- P&N Supplemental Terms and Conditions
- Other:

1707 South Park Street, Suite 200 Kalamazoo, MI 49001 t. 269-372-1158 f. 616-364-6955 www.preinnewhof.com

ARTICLE 3 – ENGINEERING SERVICES PROVIDED UNDER THIS AGREEMENT:

Client hereby requests, and P&N hereby agrees to provide, the following services:

- P&N Scope of Services per Proposal dated, 4/8/2026
- Scope of Services defined as follows:

ARTICLE 4 – COMPENSATION:

- Lump Sum for Services Described in Article 3 above - \$

Additional services to be billed per P&N’s Standard Rate Schedule in effect on the date the additional services are performed.

- Hourly Billing Rates plus Reimbursable Expenses per P&N’s Standard Rate Schedule in effect on the date services are performed.
- Other:

ARTICLE 5 – ADDITIONAL TERMS (If any)

None

This Agreement constitutes the entire Agreement between P&N and Client and supersedes all prior written or oral understandings. This Agreement may not be altered, modified, or amended, except in writing properly executed by authorized representatives of P&N and Client.

Accepted for:
Prein&Newhof, Inc.

Accepted for:

By: _____

By: _____

Printed Name: **Michael Schwartz, P.E.**

Printed Name: _____

Title: **Team Leader**

Title: _____

Date: _____

Date: _____

Standard Terms & Conditions

- A. General** - As used in this Prein&Newhof Standard Terms and Conditions for Professional Services (hereinafter “Terms and Conditions”), unless the context otherwise indicates: the term “Agreement” means the Professional Services Agreement inclusive of all documents incorporated by reference including but not limited to this P&N Standard Terms and Conditions for Professional Services; the term “Engineer” refers to Prein & Newhof, Inc.; and the term “Client” refers to the other party to the Professional Services Agreement.

These Terms and Conditions shall be governed in all respects by the laws of the United States of America and by the laws of the State of Michigan.

- B. Standard of Care** - The standard of care for all professional and related services performed or furnished by Engineer under the Agreement will be the care and skill ordinarily used by members of Engineer’s profession of ordinary learning, judgment or skill practicing under the same or similar circumstances in the same or similar community, at the time the services are provided.
- C. Disclaimer of Warranties** - Engineer makes no warranties, expressed or implied, under the Agreement or otherwise.
- D. Construction/Field Observation** - If Client elects to have Engineer provide construction/field observation, client understands that construction/field observation is conducted to reduce, not eliminate the risk of problems arising during construction, and that provision of the service does not create a warranty or guarantee of any type. In all cases, the contractors, subcontractors, and/or any other persons performing any of the construction work, shall retain responsibility for the quality and completeness of the construction work and for adhering to the plans, specifications and other contract documents.
- E. Construction Means and Methods** - Engineer shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences, or procedures, or for any safety precautions and programs in connection with the construction work, for the acts or omissions of the Contractor, Subcontractors, or any other persons performing any of the construction work, or for the failure of any of them to carry out the construction work in accordance with the plans, specifications or other contract documents.
- F. Opinions of Probable Costs** - Client acknowledges that Engineer has no control over market or contracting conditions and that Engineer’s opinions of costs are based on experience, judgment, and information available at a specific period of time. Client agrees that Engineer makes no guarantees or warranties, express or implied, that costs will not vary from such opinions.
- G. Client Responsibilities**
1. Client shall provide all criteria, Client Standards, and full information as to the requirements necessary for Engineer to provide the professional services. Client shall designate in writing a person with authority to act on Client’s behalf on all matters related to the Engineer’s services. Client shall assume all responsibility for interpretation of contract documents and construction observation/field observation during times when Engineer has not been contracted to provide such services and shall waive any and all claims against Engineer that may be connected thereto.
 2. In the event the project site is not owned by the Client, the Client must obtain all necessary permission for Engineer to enter and conduct investigations on the project site. It is assumed that the Client possesses all necessary permits and licenses required for conducting the scope of services. Access negotiations may be performed at additional costs. Engineer will take reasonable precaution to minimize damage to land and structures with field equipment. Client assumes responsibility for all costs associated with protection and restoration of project site to conditions existing prior to Engineer’s performance of services.
 3. The Client, on behalf of all owners of the subject project site, hereby grants permission to the Engineer to utilize a small unmanned aerial system (sUAS) for purposes of aerial mapping data acquisition. The Client is responsible to provide required notifications to the property owners of the subject project site and affected properties where the sUAS services will be performed. The Engineer will operate the sUAS in accordance with applicable State and Federal Laws.
- H. Hazardous or Contaminated Materials/Conditions**
1. Client will advise Engineer, in writing and prior to the commencement of its services, of all known or suspected Hazardous or Contaminated Materials/Conditions present at the site.

2. Engineer and Client agree that the discovery of unknown or unconfirmed Hazardous or Contaminated Materials/Conditions constitutes a changed condition that may require Engineer to renegotiate the scope of or terminate its services. Engineer and Client also agree that the discovery of said Materials/Conditions may make it necessary for Engineer to take immediate measures to protect health, safety, and welfare of those performing Engineer's services. Client agrees to compensate Engineer for any costs incident to the discovery of said Materials/Conditions.

Client acknowledges that Engineer cannot guarantee that contaminants do not exist at a project site. Similarly, a site which is in fact unaffected by contaminants at the time of Engineer's surface or subsurface exploration may later, due to natural phenomena or human intervention, become contaminated. The Client waives any claim against Engineer, and agrees to defend, indemnify and hold Engineer harmless from any claims or liability for injury or loss in the event that Engineer does not detect the presence of contaminants through techniques commonly employed.

3. The Client recognizes that although Engineer is required by the nature of the services to have an understanding of the laws pertaining to environmental issues, Engineer cannot offer legal advice to the Client. Engineer urges that the Client seek legal assistance from a qualified attorney when such assistance is required. Furthermore, the Client is cautioned to not construe or assume that any representations made by Engineer in written or conversational settings constitute a legal representation of environmental law or practice.
4. Unless otherwise agreed to in writing, the scope of services does not include the analysis, characterization or disposal of wastes generated during investigation procedures. Should such wastes be generated during this investigation, the Client will contract directly with a qualified waste hauler and disposal facility.

I. Underground Utilities – To the extent that the Engineer, in performing its services, may impact underground utilities, Engineer shall make a reasonable effort to contact the owners of identified underground utilities that may be affected by the services for which Engineer has been contracted, including contacting the appropriate underground utility locating entities and reviewing utility drawings provided by others. Engineer will take reasonable precautions to avoid damage or injury to **underground** utilities and other underground structures. Client agrees to hold Engineer harmless for any damages to below ground utilities and structures not brought to Engineers attention and/or accurately shown or described on documents provided to Engineer.

J. Insurance

1. Engineer will maintain insurance for professional liability, general liability, worker's compensation, auto liability, and property damage in the amounts deemed appropriate by Engineer. Client will maintain insurance for general liability, worker's compensation, auto liability, and property damage in the amounts deemed appropriate by Client. Upon request, Client and Engineer shall each deliver certificates of insurance to the other evidencing their coverages.
2. Client shall require Contractors to purchase and maintain commercial general liability insurance and other insurance as specified in project contract documents. Client shall cause Engineer, Engineer's consultants, employees, and agents to be listed as additional insureds with respect to any Client or Contractor insurances related to projects for which Engineer provides services. Client agrees and must have Contractors agree to have their insurers endorse these policies to reflect that, in the event of payment of any loss or damages, subrogation rights under these Terms and Conditions are hereby waived by the insurer with respect to claims against Engineer.

K. Limitation of Liability - The total liability, in the aggregate, of Engineer and Engineer's officers, directors, partners, employees, agents, and consultants, whether jointly, severally or individually, to Client and anyone claiming by, through, or under Client, for any and all injuries, losses, damages and expenses, whatsoever, arising out of, resulting from, or in any way related to the Project or the Agreement, including but not limited to the performance of services under the Agreement, from any cause or causes whatsoever, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract or warranty, expressed or implied, of Engineer or Engineer's officers, directors, partners, employees, agents, consultants, or any of them, shall not exceed the sum of one million dollars and no cents (\$1,000,000.00). Recoverable damages shall be limited to those that are direct damages. Engineer shall not be responsible for or held liable for special, indirect or consequential losses or damages, including but not limited to loss of use of equipment or facility, and loss of profits or revenue.

Client acknowledges that Engineer is a corporation and agrees that any claim made by Client arising out of any act or omission of any director, officer, or employee of Engineer, in the execution or performance of the Agreement, shall be made against Engineer and not against such director, officer, or employee.

L. Documents and Data

1. All documents prepared or furnished by Engineer under the Agreement are Engineer's instruments of service, and are and shall remain the property of Engineer.
2. Hard copies of any documents provided by Engineer shall control over documents furnished in electronic format. Client recognizes that data provided in electronic format can be corrupted or modified by the Client or others, unintentionally or otherwise. Consequently, the use of any data, conclusions or information obtained or derived from electronic media provided by Engineer will be at the Client's sole risk and without any liability, risk or legal exposure to Engineer, its employees, officers or consultants.
3. Any extrapolations, conclusions or assumptions derived by the Client or others from the data provided to the Client, either in hard copy or electronic format, will be at the Client's sole risk and full legal responsibility.

M. Differing Site Conditions - Client recognizes that actual site conditions may vary from the assumed site conditions or test locations used by Engineer as the basis of its design. Consequently, Engineer does not guarantee or warrant that actual site conditions will not vary from those used as the basis of Engineer's design, interpretations and recommendations. Engineer is not responsible for any costs or delays attributable to differing site conditions. .

N. Terms of Payment - Unless alternate terms are included in the Agreement, Client will be invoiced on a monthly basis until the completion of the **Project**. All monthly invoices are payable within 30 days of the date of the invoice. Should full payment of any invoice not be received within 30 days, the amount due shall bear a service charge of 1.5 percent per month or 18 percent per year plus the cost of collection, including reasonable attorney's fees. If Client has any objections to any invoice submitted by Engineer, Client must so advise Engineer in writing within fourteen (14) days of receipt of the invoice. Unless otherwise agreed, Engineer shall invoice Client based on hourly billing rates and direct costs current at the time of service performance. Outside costs such as, but not limited to, equipment, meals, lodging, fees, and subconsultants shall be actual costs plus 10 percent. In addition to any other remedies Engineer may have, Engineer shall have the absolute right to cease performing any services in the event payment has not been made on a current basis.

O. Termination - Either party may terminate services, either in part or in whole, by providing 10 calendar days written notice thereof to the other party. In such an event, Client shall pay Engineer for all services performed prior to receipt of such notice of **termination**, including reimbursable expenses, and for any shut-down costs incurred. Shut-down costs may, at Engineer's discretion, include expenses incurred for completion of analysis and records necessary to document Engineer's files and to protect its professional reputation.

P. Severability and Waiver of Provisions - Any provision or part of the Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Client and P&N, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable **provision** that comes as close as possible to expressing the intention of the stricken provision. Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of the Agreement.

Q. Dispute Resolution - If a dispute arises between the parties relating to the Agreement, the parties agree to use the following procedure prior to either party pursuing other available remedies:

1. Prior to commencing a lawsuit, the parties must attempt mediation to resolve any dispute. The parties will jointly appoint a mutually acceptable person not affiliated with either of the parties to act as mediator. If the parties are unable to agree on the mediator within twenty (20) calendar days, they shall seek assistance in such regard from the Circuit Court of the State and County wherein the Project is located, who shall appoint a mediator. Each party shall be responsible for paying all costs and expenses incurred by it, but shall split equally the fees and expenses of the mediator. The mediation shall proceed in accordance with the procedures established by the mediator.
2. The parties shall pursue mediation in good faith and in a timely manner. In the event the mediation does not result in resolution of the dispute within thirty (30) calendar days, then, upon seven (7) calendar days' written notice to the other party, either party may pursue any other available remedy.

3. In the event of any litigation arising from the Agreement, including without limitation any action to enforce or interpret any terms or conditions or performance of services under the Agreement, Engineer and Client agree that such action will be brought in the District or Circuit Court for the County of Kent, State of Michigan (or, if the federal courts have exclusive jurisdiction over the subject matter of the dispute, in the U.S. District Court for the Western District of Michigan), and the parties hereby submit to the exclusive jurisdiction of said court.
- R. Force Majeure** - Engineer shall not be liable for any loss or damage due to failure or delay in rendering any services called for under the Agreement resulting from any cause beyond Engineer's reasonable control.
- S. Assignment** - Neither party shall assign its rights, interests or obligations under this Agreement without the express written consent of the other party.
- T. Modification** - The Agreement may not be modified except in writing signed by the party against whom a modification is sought to be enforced.
- U. Survival** - All express representations, indemnifications, or limitations of liability included in the Agreement shall survive its completion or termination for any reason.
- V. Third-Party Beneficiary** - Client and Engineer agree that it is not intended that any provision of this Agreement establishes a third-party beneficiary giving or allowing any claim or right of action whatsoever by a third party.
- W. Fee Escalation** - Engineer's fees are based on its billing rates, which are adjusted annually. For multi-year projects, Engineer's fees incorporate an estimate of future billing rates. If inflation causes actual billing rates to exceed these estimates, Engineer reserves the right to adjust its fees accordingly.

Fee Schedule

Effective January, 2026

Unless otherwise agreed, Prein&Newhof bills for time spent on a project at the hourly rate of the employees assigned. Identified below are the hourly rates for various employee classifications. Hourly billing rates include overhead, fringe benefits, and profit.

<u>Employee Classification</u>	<u>Hourly Billing Rate</u>
Senior Project Manager II, Senior Professional V	\$210
Senior Project Manager, Senior Professional IV	\$193
Project Manager, Senior Engineer III, Senior Professional III, Landscape Architect IV, Senior Technician V	\$178
Senior Engineer II, Senior Professional II, Landscape Architect III, Senior Technician IV, Surveyor IV, Geologist, Lab Manager	\$166
Senior Engineer, Senior Professional, Landscape Architect II, Senior Technician III, Surveyor III	\$155
Engineer II, Senior Technician II, Surveyor II, Senior Office Technician	\$145
Engineer, Senior Technician, Surveyor	\$134
Landscape Architect, Technician IV	\$124
Technician III, Lab Technician, Office Technician	\$112
Technician II	\$99
Technician	\$84
<u>Project Expenses</u>	<u>Billing Rate</u>
Mileage	\$0.75/mile
Direct expenses and sub-consultant costs	Invoice amount plus a 10% charge