

OAKLAND COUNTY VILLAGE OF LAKE ORION 2024  
SANITARY SEWER SYSTEM IMPROVEMENTS CONTRACT

THIS CONTRACT, made and entered into as of the 1<sup>st</sup> day of January, 2024, by and between the COUNTY OF OAKLAND, a county corporation in the State of Michigan (hereinafter sometimes referred to as the “County”), by and through its Water Resources Commissioner, County Agency, party of the first part, and the VILLAGE OF LAKE ORION, a home rule village located in the County (hereinafter sometimes referred to as the “Village”), party of the second part.

W I T N E S S E T H:

WHEREAS, pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended (hereinafter sometimes referred to as “Act 342”), the County has designated the Oakland County Water Resources Commissioner as the county agency for the Village of Lake Orion Sewer System (hereinafter sometimes referred to as the “System”) with all powers and duties with respect thereto as are provided by Act 342 (said Water Resources Commissioner being hereinafter sometimes referred to as the “County Agency”); and

WHEREAS, under and subject to the terms of Act 342, the County is authorized, through the County Agency, to acquire and construct the System improvements and facilities hereinafter described (the “Project”), the County and the Village are authorized to enter into a contract, as hereinafter provided, for the acquisition and construction of the Project by the County and for the payment of the cost thereof by the Village in cash from available funds; and

WHEREAS, there is an urgent need of such sanitary sewer system improvements and facilities to provide sanitary sewer services to the Village in order to promote the health and welfare of the residents thereof, which improvements would likewise benefit the County and its

residents, and the parties hereto have concluded that such improvements can be provided and financed most economically and efficiently by the County through the exercise of the powers conferred by Act 342, and especially section 5 thereof; and

WHEREAS, preliminary plans for the Project and estimates of the cost and period of usefulness thereof have been prepared, all of which have been submitted to and approved by the Board of Commissioners of the County and the governing body of the Village and placed on file with said Board of Commissioners in the office of the County Agency, said estimates being set forth in Exhibit B hereunto attached; and

WHEREAS, in order to provide for the acquisition and construction of the Project by the County and for other related matters, it is necessary for the parties hereto to enter into this contract.

THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE COVENANTS OF EACH OTHER, THE PARTIES HERETO AGREE as follows:

1. The parties hereto approve and agree to the acquisition, construction and financing of the Project as herein provided, under and pursuant to Act 342. The Village by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, consents and agrees to the establishment and location of the Project within its corporate boundaries and to the use by the County of its streets, highways, alleys, lands, rights-of-way or other public places for the purpose and facilities of the Project and any improvements, enlargements or extensions thereof, and the Village further agrees that, in order to evidence and effectuate the foregoing agreement and consent, it will execute and deliver to the County such grants of easement, right-of-way, license, permit or consent as may be requested by the County.

2. The Project shall consist of additions and improvements to a portion of the System shown and described on Exhibit A, which is attached hereto and is made a part hereof, and as are more particularly set forth in the preliminary plans which have been prepared and submitted by the consulting engineers which plans are on file with the County Agency and are approved and adopted. The Project may be acquired and constructed in one or more phases and shall be acquired and constructed substantially in accordance with said preliminary plans and in accordance with final plans and specifications to be prepared and submitted by the consulting engineers, but variations therefrom that do not materially change the location, capacities or overall design of the Project, and that do not require an increase in the total estimated cost of the Project, may be permitted on the authority of the County Agency. Other variations or changes may be made if approved by the County Agency and by resolution of the governing body of the Village and if provisions required by paragraph 4 hereof are made for payment of any resulting increase in the total estimated cost. The estimate of the cost of the Project and the estimate of the period of usefulness thereof as set forth in Exhibit B are approved and adopted.

3. The County Agency will obtain construction bids for the Project and, subject to the receipt of a cash payment to be made under this contract by the Village, shall enter into construction contracts with the lowest responsible bidder or bidders, procure from the contractors all necessary and proper bonds, cause the Project to be constructed within a reasonable time, and do all other things required by this contract and the laws of the State of Michigan. The County Agency may, in its sole discretion, retain the services of a third-party engineering firm to perform contract administration of the Project, and payment for such services shall be the responsibility of the Village as part of the cost of the Project as described in paragraph 5 hereof. All certificates for required payments to contractors shall be approved by the consulting engineers before presentation to the County Agency and the latter shall be entitled to rely on such approval in making payments.

4. Except as otherwise provided herein, in the event that it shall become necessary to increase the estimated cost of the Project for any reason, or if the actual cost of the Project shall exceed the estimated cost, whether as the result of variations or changes made in the approved plans or otherwise, the County Agency shall not be obligated to pay such increased or excess cost unless the governing body of the Village shall have adopted a resolution approving such increase or excess and agreeing that the same (or such part thereof as is not available from other sources) shall be defrayed by increased or additional payments to be made by the Village to the County in the manner acceptable to the County Agency.

5. The Village shall pay to the County the entire cost of the Project not defrayed by grants and funds available from other sources in cash not later than the effective date of the County Agency's award of the first construction contract for the Project. If acquisition and construction of the Project is performed in phases, then for each phase of the Project, the Village shall pay to the County the entire cost of each respective phase of the Project not defrayed by grants and funds available from other sources in cash not later than the effective date of the County Agency's award of the first construction contract for each respective phase of the Project. The Village hereby acknowledges that no County general funds shall be appropriated or pledged pursuant to this contract or for the Project. The County's role in the Project is strictly limited to that set forth in Act 342, and the Village shall be solely responsible for all administration and construction costs (including attorney fees and all dispute resolution costs), all costs of operation and maintenance of the Project, all costs and expenses relating to lawsuits as described in paragraph 12 hereof and all items of cost described in paragraph 6 hereof. Payments shall be made by the Village when due whether or not the Project has then been completed or placed in operation.

6. The County Agency is hereby authorized, but not required, to utilize County personnel for the administration of the Project. The Village agrees that the costs of contract administration, auditing and financial services shall be part of the cost of the Project for purposes

of paragraph 5 hereof, whether such services are provided by County personnel or third parties. In the case of County personnel, the costs attributed to the Project shall include the allocable share of such personnel's salary and fringe benefits to the Project as determined by the County Agency.

7. If the Project is abandoned for any reason, the Village shall pay, or reimburse the County for the payment of, all engineering, legal and other costs and expenses incurred by the County Agency in connection with the Project, and the Village shall be entitled to all plans, specifications and other engineering data and materials.

8. After completion of the Project, the Village shall own the Project, and the County shall operate and maintain the Project as part of the System in accordance with applicable agreements between the County and the Village.

9. It is understood and agreed by the parties hereto that the Project is to serve the Village and not the individual property owners and users thereof, unless by special arrangement between the County Agency and the Village. The responsibility of requiring connection to and use of the Project and/or providing such additional facilities as may be needed shall be that of the Village wherein such property is located and such Village shall cause to be constructed and maintained, directly or through the County, any such necessary additional facilities. The County shall not be obligated to acquire or construct any facilities other than those designated in paragraph 2 hereof.

10. The County shall have no obligation or responsibility for providing facilities except as herein expressly provided with respect to the acquisition and construction of the Project or as otherwise provided by contract. The Village shall have the authority and the responsibility to provide such other facilities and shall have the right to expand the facilities of the System by constructing or extending sewers or related facilities, connecting the same to the System, and

otherwise improving the System. It is expressly agreed, nevertheless, that no such connection shall be made to the System and no improvements, enlargements or extensions thereof shall be made without first securing a permit therefor from the County. Any such permit may be made conditional upon inspection and approval of new construction by the County.

11. To the fullest extent permitted by law, and except as covered by the contractor's liability insurance, the Village shall indemnify and hold harmless the County and the County Agency, and agents and employees of each of them, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from design or construction work relating to the Project, including, without limitation, claims for damage to public or private property and for injuries to or death of any person or persons, excluding, however, any claims or causes of action resulting from the County's or the County Agency's sole negligence.

12. The parties hereto agree that the costs and expenses of any lawsuits or Claims (as hereinafter defined) arising directly or indirectly out of this contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the County or the County Agency, shall be deemed to constitute a part of the cost of the Project and shall be paid by the Village in the same manner as herein provided with respect to other costs of the Project. In the event of such litigation or claims, the County Agency shall consult with the Village and shall retain legal counsel agreeable to the County and the Village to represent the County; provided that if the County and the Village cannot agree as to such representation within a reasonable time, the County Agency shall exercise its discretion as to the retention of such counsel. In this contract, "Claims" means any alleged losses, claims, complaints, demands for relief or damages, liability, penalties, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are imposed on, incurred by, or assessed against the County, County Agency or Village, or

for which the County, County Agency or Village may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the State constitution, any federal or State statute, rule, regulation, or any alleged violation of Federal or State common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened. This paragraph shall not apply to a lawsuit instituted by the Village to enforce its rights under this contract.

13. All powers, duties and functions vested by this contract in the County shall be exercised and performed by the County Agency, for and on behalf of the County, unless otherwise provided by law or in this contract.

14. In the event that any one or more of the provisions of this contract for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

15. This contract shall become effective after its execution by each party hereto. This contract shall terminate one (1) year from the date of final acceptance of completion of construction of the Project by the County Agency, unless terminated earlier by mutual agreement of the parties hereto in writing. This contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This contract may be executed in any number of counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed and delivered by the undersigned, being duly authorized by the respective governing body of such parties.

COUNTY OF OAKLAND

Executed on \_\_\_\_\_, 2024

By: \_\_\_\_\_  
Jim Nash  
Its: County Water Resources Commissioner  
(County Agency)

VILLAGE OF LAKE ORION

By: \_\_\_\_\_  
Darwin McClary  
Its: Village Manager

Executed on \_\_\_\_\_, 2024

And: \_\_\_\_\_  
Sonja Stout  
Its: Clerk



## EXHIBIT A

### Oakland County Village of Lake Orion 2024 Sanitary Sewer System Improvements

#### Project Description and Map

Acquisition and construction of various improvements to the Village of Lake Orion Sanitary Sewer System (the “System”) located in the Village of Lake Orion, consisting, without limitation, of the rehabilitation of sixteen (16) sanitary lift stations, including, without limitation, demolition of the existing equipment within twelve (12) ejector stations and four (4) centrifugal pump stations, and all other related equipment, installation of new pumping equipment, air compressors, air storage tanks, motors, air manifolds, valves, piping, pipe fittings, ventilation blowers, level transducers, electrical panels and wiring/conduit, control panels, equipment racks, new DTE electric meters, generator transfer receptacles, power distribution cabinets, manual transfer switches, and main service disconnect switches, new sump pumps, piping and valves, new lighting, and facilities and site structures, as well as the restoration of property, curbs, streets, rights-of-way, driveways, sidewalks, and easements affected by the improvements and all other work and equipment necessary and incidental to the improvements.

*[Map on following page]*

# Oakland County Village of Lake Orion 2024 Sanitary Sewer System Improvements

## Map

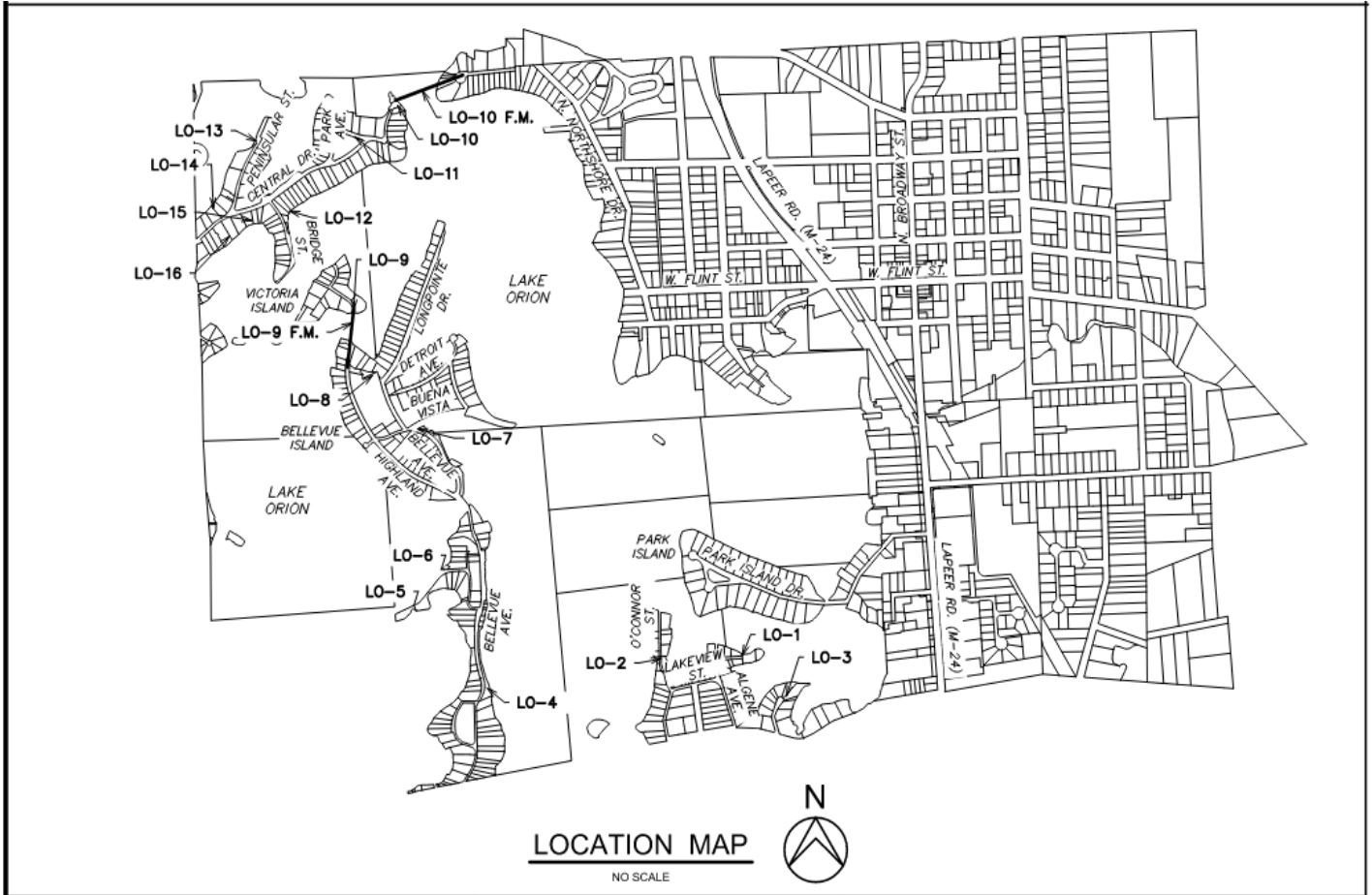



EXHIBIT B  
Estimate of Cost and Period of Usefulness

**Project Cost Estimate for  
Lake Orion Lift Stations  
PRJ1-3381  
December 2023**

	Total Cost
1) <b>Construction (FAC)</b>	
Project Construction Cost (Est)	\$ 7,246,000
	Sub-Total \$ 7,246,000
2) <b>Project Development: Engineering Consulting (ENG CON)</b>	
Preliminary Design	\$ -
Design	\$ 242,000
CCA	\$ 124,800
Scheduling Consultant	\$ -
Additional Special Services	\$ -
	Sub-Total \$ 367,000
3) <b>Project Financing &amp; Legal (LEGAL)</b>	
Project Insurance	\$ -
Bond Issuance (Legal)	\$ 24,500
Bond Issuance (Financial Consultant)	\$ 19,200
Bond Ratings-Official Statement	\$ 25,000
Legal Fees (contract agreements)	\$ 30,000
Wetland Mitigation	\$ -
	Sub-Total \$ 99,000
3) <b>Right-of-Way Services (ROW)</b>	
Easement Fees	\$ 30,000
Legal Fees (easement)	\$ 50,000
Permits	\$ 5,000
County Personnel Time	\$ 42,703
	Sub-Total \$ 128,000
4) <b>Exclusive County Services:</b>	
Administration (ADM)	\$ -
Engineering-OCWRC (ENG)	\$ 153,748
Construction Inspection (INS)	\$ 253,446
Surveying (SUR)	\$ 9,117
O&M/Equipment Startup and Training/Corrections-OCWRC (STD)	\$ 18,003
	Sub-Total \$ 435,000
5) <b>Subtotal:</b>	\$ 8,275,000
6) <b>Contingency (10%)</b>	\$ 828,000
	Total Project Cost \$ 9,103,000

7) CVT Shares/Allocation: Bonded

**I hereby certify the period of usefulness of these facilities to be 20 years and upwards.**

By:   
 \_\_\_\_\_  
**Jennifer Cook**  
**Project Engineer**