



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: August 24, 2026

TOPIC Award of Contract and Budget Amendments - 2026 Street Improvement Project

BACKGROUND BRIEF:

Council is scheduled to consider approving budget amendments and awarding a contract for the 2026 street improvement project. The project involves two separate improvements. Attached is the project map outlining the two projects. Contract "A" involves the original grant-funded scope of work, while Contract "B" involves the expanded scope of work later added by the Council.

Attached are the letters of recommendation on an award of contract depending on Council's desire to proceed with one or both contracts. Also attached are the proposed budget amendments for Contract "A", the contract and bid documents for the project, and other supporting information. Administration is recommending that Council only award Contract "A" with the alternate scope of work to extend the useful life of all streets within the project to 15 years for the original grant-funded scope of work due to the fact that the completion of both projects would require bonding and incur debt at an uncertain time for the Village due to the recent submittal of a disincorporation petition. The contract should be awarded contingent upon receipt of the "notice to proceed" from Grant #879 from the MDOT Office of Economic Development.

Once the contract is awarded, the Village will need to proceed to prepare the special assessment roll based on the contract prices and hold a special assessment hearing.

SUMMARY OF PREVIOUS COUNCIL ACTION:

None on award of the contract.

FINANCIAL IMPACT:

The total project for Contract "A" is estimated to be \$876,000 with engineering and contingencies. The Major Street Fund will contribute \$400,000 toward the project, and the General Fund will contribute \$146,000. The MDOT Transportation Economic Development Fund Category "B" Grant Program will provide the remaining \$250,000 needed to fund the project. The Village intends to specially assess property owners for a portion of the project cost on a front-foot basis or another fair method as determined by the Village. While the needs public hearing has been completed, a hearing on the proposed special assessment roll must still be conducted. Special assessments may be spread over a

number of years, and special assessment payments would be received starting with the July 1, 2027, tax bill.

RECOMMENDED MOTION:

#1 – To approve budget amendments BA-2027-101-964-01, BA-2027-202-01, and BA-2027-203-01 as presented to provide the necessary supplemental appropriations for the Village of Lake Orion 2026 Street Improvement Project.

#2 - To award Contract "A", including the alternate scope of work, in the total alternate bid amount of \$751,815.10 to Diamond Excavating LLC of Davison, Michigan, for the Village of Lake Orion 2026 Street Improvements – MDOT Transportation Economic Development (TEDF) Category "B" Grant #879 project, with said contract award to be contingent upon receipt of the "notice to proceed" for Grant #879 from the MDOT Office of Economic Development; and to authorize the Village Manager and Village Clerk to execute all necessary documents relating to this contract award and the grant award.