



August 20, 2026

Mr. Darwin McClary
Village Manager
Village of Lake Orion
21 E. Church St.
Lake Orion, MI 48362

RE: 2026 Street Improvement Project Cost Summary

Dear Mr. McClary:

As you requested, below is a summary of anticipated construction costs for the 2026 Street Improvement project, under different scenarios of contract award, with an approximate 10% contingency included.

<u>TOTAL PROJECT (Low Bidder - Asphalt Specialists)</u>	
Construction, including Alternate (per unit prices)	\$1,457,219.27
Contingency / Unanticipated Conditions (~10%)	\$145,725.73
Estimated Total Construction Cost	\$1,602,945.00

<u>CONTRACT A ONLY (Low Bidder - Diamond Excavating)</u>	
Construction, including Alternate (per unit prices)	\$751,815.10
Contingency / Unanticipated Conditions (~10%)	\$75,184.90
Estimated Total Construction Cost	\$827,000.00

<u>CONTRACT B ONLY (Low Bidder - Asphalt Specialists)</u>	
Construction (per unit prices)	\$702,201.70
Contingency / Unanticipated Conditions (~10%)	\$70,223.30
Estimated Total Construction Cost	\$772,425.00

You will notice that the difference between the sum of separate contracts is approximately \$3,500 more than the single contract estimated construction cost. However, if the Village decides to proceed with improvements to all of the streets, we recommend awarding a single contract to the overall low bidder rather than dividing the project. You will also note that these figures are based on including the alternate treatment of Clare Street, Andrews Street, and Axford Street in the grant project area, which we recommend in order to provide a consistent project lifespan across all streets. Since the alternate increased the construction cost estimate of each bid, the totals presented above would be conservative, in the event the alternate is not approved for inclusion.

In addition to the estimated construction costs, you will recall that the Village of Lake Orion signed a contract with Nowak and Fraus for:

- Survey, design and bidding documents for the total project (lump sum fee \$79,000)
- Geotechnical and pavement investigation, total project (estimated total \$6,640)

- Contract administration and TEDB grant implementation, total project (lump sum \$49,000)
- Construction staking (time and materials fee per discounted VLO rate schedule)
- Construction inspection and testing (time and materials fee per discounted VLO rate schedule).

The first two services listed are essentially complete, with contract administration, staking and inspection to follow with the start of construction. The Village's final decision regarding contract award will determine the extent of those future services.

If you have any questions, please call or text at any time.

Sincerely,
Nowak & Fraus Engineers

A handwritten signature in blue ink that reads 'Wendy E. Spence'.

Wendy E. Spence, PE
Sr. Project Manager