

City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: December 16th, 2024
RE: Community Project Grant Funding Engineering – Southfield Water Main

Background Brief: As the Council knows, thanks to Congresswoman Tlaib, the City was allocated \$959,752 within the federal budget as part of the community project funding program for water main replacement along Southfield Road (EB 11 Mile to Lincoln). While we have been assigned this funding, we must go through the grant process to ensure the funding is spent within EPA (which oversees our funding) guidelines. NOTE: EPA guidelines require a 20% municipal match with this funding allocation which would have our minimum project cost at \$1,151,703 for full allocation reimbursement.

Part of their guidelines discusses the procurement of services and what is eligible for reimbursement. Engineering is a reimbursable expense, however, while exploring the opportunity to utilize the City's current engineer (Giffels Webster) it was determined that if we utilized them without going through the procurement process (issuing a request for proposal (RFP)) their expense would not be reimbursable.

During the December 2nd, 2024, Study Session, staff and Council discussed their two options:

1. Issue an RFP for engineering and include that as a reimbursable cost.
 - a. With this option, the project breakdown:
 - i. ~\$951,000 – Construction (All reimbursable)
 - ii. ~\$180,000 – Engineering (City Match)
2. Utilize Giffels Webster as our project engineer and utilize all our allocation monies for construction.
 - a. With this option, the project breakdown:
 - i. ~\$1,151,700 – Construction (Reimbursable + City Match)
 - ii. ~\$180,000 – Engineering (Additional Funding)

After discussion, there was consensus to utilize Giffels Webster as the engineer for this project and utilize the grant funding and required match for construction-related activities. This method could lead to more water mains being replaced (440 linear feet of additional water main or 12" cross-connection around 150 feet).

Enclosed in your packet is an agreement for professional services via Giffels Webster. This agreement lays out all the aspects Giffels will oversee, from grant administration to design and construction engineering.

Funding note based on the DRAFT fiscal year 2023/2024 audit: As the City completed 2023/2024, its Water and Sewer fund reported a combined net position of \$8,600,840. This is a net increase of \$270,995 resulting from the current year's operations. Of the entire net position, \$7,515,288 is invested in capital assets, net of related debt, and \$1,085,552 is unrestricted (available fund balance).

Previous Action: 12-2-24 – Study Session Discussion

Economic Impact: Estimated cost of \$176,615 for engineering services.

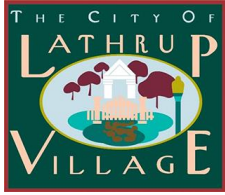
Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Dalton Barksdale
Council Member

Jason Hammond
Council Member



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Recommendation: It is my recommendation to approve the enclosed professional services agreement.

Recommended Motion:

Moved by _____ seconded by _____ to approve the Professional Services Agreement with Giffels Webster for the 2026 Southfield Road Water Main, for an estimated cost of \$176,615.

Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Dalton Barksdale
Council Member

Jason Hammond
Council Member