



CITY OF NOVI CITY COUNCIL
SEPTEMBER 22, 2025

SUBJECT: Approval of the final payment to Ajax Paving Industries, for the 2023 Capital Preventative Maintenance Program, in the amount of \$131,556

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Construction was performed on time and on budget.
- The original construction scope was asphalt roads in the Island Lake of Novi subdivision.
- The following scopes were added via City Council-approved Change Orders
 - Beck Road, 9 Mile to 11 Mile. (May 20, 2024)
 - 11 Mile Road, Beck Road to Taft Road (August 12, 2024)
 - 11 Mile Road, Taft Road to Clark Street (February 10, 2025)
 - Beck Road, 11 Mile Road to Grand River Avenue. (March 10, 2025)

FINANCIAL IMPACT

	FY 2025/26
EXPENDITURE REQUIRED	\$ 1,600.00 Expense <u>\$ 129,956.79 Retainage</u> \$ 131,556.79 Total
BUDGET	
Major Roads Funds (202-449.20-975.226)	\$ 1,600.00
Major Roads Retainage (202-000.00-211.244)	\$ 86736.04
Local Roads Retainage (203-000.00-211.420)	\$ 43,220.75
APPROPRIATION REQUIRED	\$0
FUND BALANCE IMPACT	\$0

BACKGROUND INFORMATION:

The engineering consultant, AECOM-Great Lakes, assisted City staff with developing a list of local asphalt road candidates for a Capital Preventive Maintenance (CPM) program. A CPM consists of surface treatments to roads rated as fair condition (5 or 6 using the PASER rating system) and is a cost-effective way to treat roads with surface deterioration that are still structurally sound. The CPM program was identified in the

Road Report and Transportation Asset Management Plan (TAMP) as a key component in extending the service life of asphalt roads. These treatments help to correct surface deficiencies, slow the rate of deterioration, and protect the underlying structure of the road. This program focused solely on asphalt roads in the Island Lake of Novi subdivision.

Due to the unknown, long-term future of the Beck Road corridor (8 Mile to Pontiac Trail), City staff and the Mobility Committee agreed to approach Ajax Paving Industries, Inc. with a plan to apply a short-term CPM-type treatment to Beck Road from 9 Mile to 11 Mile Roads. The treatment was identified as a Pavement Preservation Overlay (PPO) which consisted of milling off 3-inches of the existing asphalt and replacing with 3-inches of new asphalt, in two lifts. City Council approved the change order in the amount of \$1,081,882.04 for this work on May 20, 2024.

11 Mile Road from Beck to Taft Roads was already designed and programmed in the CIP for 2027 construction as a full reconstruction. After re-evaluating the scope and budget, along with the close proximity to Beck Road, staff decided to move forward with a PPO here as well. City Council approved this change order in the amount of \$367,354.01 for this work on August 12, 2024.

Pleased with the product and timeliness on the Beck and 11 Mile PPOs, City staff decided to move forward with another PPO on 11 Mile Road, between Taft Road and Clark Street. City Council approved this change order in the amount of \$238,928.07 on February 10, 2025. This work included some removal and replacement of several concrete curb and gutter segments.

Finally, when we began discussions for the PPOs on Beck Road from 9 to 11 Mile, it was thought that the Beck Road Widening project from 11 Mile to Grand River may be under construction afterwards. Since the City was delayed to another construction season and the condition was beyond the maintenance capabilities of the Field Operations crews, we again approached Ajax to provide a quick, Ultra-Thin Overlay. This treatment consists of milling an inch and placing back. City Council approved this change order in the amount of \$150,073.04 at the March 10, 2025, meeting. This solution was completed in two days.

The initial CPM construction contract was awarded at the July 31, 2023, City Council meeting to Ajax Paving Industries, Inc., in the amount of \$866,078.70. Staff worked with the engineering consultant for this project, AECOM-Great Lakes, to review and verify the final contract amount of \$131,556.79 that is due to the contractor. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, August 19, 2025).

There were eight (8) approved change orders issued, resulting in an overall increase of \$651,175.20 to the contract. The approved change orders resulted in a final contract price of \$1,517,253.90.

RECOMMENDED ACTION: Approval of the final payment to Ajax Paving Industries, Inc. for the 2023 Capital Preventative Maintenance Program, in the amount of \$131,556.79, plus interest earned on retainage.