



CITY OF NOVI CITY COUNCIL
FEBRUARY 10, 2025

SUBJECT: Consideration of approval of the final payments to Asphalt Specialists, Inc. for the 2022 and 2023 Neighborhood Road Program – Asphalt Streets.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Bid out as a two-year contract (2022 and 2023).
- Several 'alternates' were included with both contract years.

FINANCIAL IMPACT

	FY 2024-25
EXPENDITURE REQUIRED	\$ 239,295.63
BUDGET	
203 LOCAL STREET FUND	
2022 NRP- Asphalt	\$ 85,476.94 Retainage
2023 NRP- Asphalt	\$ 101,336.00 Expense \$ 52,482.69 Retainage
APPROPRIATION REQUIRED	\$0
FUND BALANCE IMPACT	\$0

BACKGROUND INFORMATION:

The asphalt streets portion of the Neighborhood Road Program (NRP) was advertised, bid, and awarded for a two-year contract to capture unit prices and lower the logistical costs of bidding and design separately. This process also allowed the City flexibility regarding the scheduling of different project areas. The NRP work includes both asphalt rehabilitation and reconstruction of local roadways in an effort to preserve the longevity of the existing roadways in the City's network.

The following streets were selected and completed as part of the 2022 asphalt program: Park Place Drive, Roberts Road, Lochmoor Lane, Groveland Street, Glenhurst Street, Mulberry Lane, Christina Lane, Sandstone Drive, and Marks Drive, Philip Drive, and Todd Lane (added as Alternates to the contract).

The following streets were selected and completed as part of the 2023 asphalt program: Glenwood Drive, Woodham Drive (north of Ten Mile Road), Lannys Road, Clark Street, Stone Road, two segments of Galway Drive, and Veranda Drive (added as an Alternate to the contract).

This two-year construction contract was awarded at the April 25, 2022, City Council meeting to Asphalt Specialists, Inc., in the amount of \$2,329,191.00. Staff worked with the engineering consultant for this project, Spalding DeDecker & Associates, to review and verify the final contract amounts of \$85,476.94 and \$153,818.69 that are due to the contractor. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, January 23, 2025).

For the 2022 program, there were four (4) approved change orders issued resulting in an overall increase of \$285,968.31 or 20.1% over the awarded amount. The approved change orders resulted in a final contract price of \$1,705,835.81 for the 2022 contract.

For the 2023 program, there were three (3) approved change orders issued resulting in an overall increase of \$216,066.35 or 23.8% over the awarded amount. The approved change orders resulted in a final contract price of \$1,125,389.85 for the 2023 contract.

RECOMMENDED ACTION: Approval of the final payments to Asphalt Specialists, Inc. for the 2022 and 2023 Neighborhood Road Program – Asphalt Streets in the amount of \$85,476.94 and \$153,818.69, respectively, plus interest earned on retainage.