



CITY OF NOVI CITY COUNCIL
APRIL 21, 2025

SUBJECT: Consideration of approval of the final payment to Cadillac Asphalt LLC for the Industrial Roads Rehabilitation project, in the amount of \$110,941.56, plus interest earned on retainage.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Construction was performed on time and on budget.
- Change Order approved (July 10, 2023) to add the eastern 500-feet of Drakes Bay Drive reconstruction.
- Change Order approved (June 17, 2024) to add 13 Mile Road (Meadowbrook to M-5) rehabilitation. Final payment for this change order contract under separate motion.

FINANCIAL IMPACT

	FY 2024/25
EXPENDITURE REQUIRED	\$ 110,491.56
BUDGET	
Major Street Fund	\$ 61,400.00 Expenditure <u>\$ 49,541.56 Retainage</u> \$ 110,491.56 TOTAL
APPROPRIATION REQUIRED	\$0
FUND BALANCE IMPACT	\$0

BACKGROUND INFORMATION:

City staff identified roads for repair in the Beck North Corporate Park and the Beck West Industrial Park (both zoned for light and/or general industrial activity). The project

was designed to include a base bid (Magellan Drive and Humboldt Drive) and two alternate bids (Hudson Drive and DeSoto/Peary/Ryan Courts) in case of higher bid prices. (See attached map). The low bid from Cadillac Asphalt came in within 0.4% of the Engineer's estimate, so staff recommended awarding the base bid and both alternate bids.

At this time, a separate Capital Preventative Maintenance (CPM) program was already in the works for several streets in the Island Lake of Novi Subdivision. This CPM program was intended to provide a maintenance-type fix which is less involved, intrusive, and expensive as a rehabilitation or reconstruction method. The eastern 500-feet of Drakes Bay Drive required a reconstructive effort. Therefore, the City Council approved a change order to Cadillac Asphalt to reconstruct this portion of street at the July 10, 2023, meeting.

Also, due to the success Cadillac Asphalt had with the proceeding parts of this Industrial Roads contract and low unit prices, staff recommended that the City Council approve another change order to rehabilitate 13 Mile Road from Meadowbrook Road to the M-5 highway. This change order was approved at the June 17, 2024, meeting. The construction contract was awarded at the April 17, 2023, City Council meeting to Cadillac Asphalt, LLC., in the amount of \$2,223,748.76. Staff worked with the engineering consultant for this project, AECOM-Great Lakes, to review and verify the final contract amount of \$110,941.56 that is due to the contractor, of which \$61,400 is in incentive crew days (76.75 days x \$800/day) for completing the working in a timely manner. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, March 27, 2025).

There were four (4) approved change orders issued resulting in an overall decrease of \$242,086.42 or 10.9% under the awarded amount. The approved change orders resulted in a final contract price of \$1,981,662.34 for the contract.

RECOMMENDED ACTION: Approval of the final payment to Cadillac Asphalt LLC for the Industrial Roads Rehabilitation project, in the amount of \$110,941.56, plus interest earned on retainage.