



CITY OF NOVI CITY COUNCIL
JANUARY 26, 2026

SUBJECT: Approval of the final payment to Highway Maintenance and Construction Company, Inc. for the 2024/2025 Capital Preventative Maintenance in the amount of \$37,990, plus interest earned on retainage.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Graded and spray-patched all 44 street segments in preparation for chip seal
- Provided a single or double-chip seal product for all 44 street segments
- Placed a 1 ½-inch layer of hot-mix asphalt (HMA) on Summit Drive
- Accidentally chip-sealed a portion of North Haven Drive. This was eventually milled back out and replaced with new HMA at the contractor's cost

FINANCIAL IMPACT

	FY 2025/26
EXPENDITURE REQUIRED	\$ 37,990.04 Retainage
BUDGET Local Street Fund 203-000.00-211.266	\$ 37,990.04
APPROPRIATION REQUIRED	\$0
FUND BALANCE IMPACT	\$0

BACKGROUND INFORMATION:

The 2024/2025 Capital Preventative Maintenance program addressed the City's local chip-sealed roads. The project used a combination of spray patch, chip seal, and fog seal. Summit Drive received a thin mill and overlay, followed by chip seal and fog seal. All 44 of the City's local chip-sealed roads were treated.

In its haste, the contractor accidentally chip-sealed over the top of the existing asphalt on North Haven Drive, between West Park Drive and Amos Avenue. This was later milled out completely and repaved with new hot-mix asphalt, at their own expense. The construction contract was awarded at the May 20, 2024, City Council meeting to Highway Maintenance and Construction Company, Inc., in the amount of \$735,600.01. Staff worked with the engineering consultant for this project, AECOM-Great Lakes, to review and verify the final contract payment amount of \$37,990.04 that is due to the contractor. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, December 30, 2025).

There were three (3) approved change orders issued, resulting in an overall decrease of \$67,575.63 or 9.2% below the amount awarded. The approved change orders resulted in a final contract price of \$668,024.38 for the contract.

RECOMMENDED ACTION: Approval of the final payment to Highway Maintenance and Construction Company, Inc., for the 2024/2025 Capital Preventative Maintenance – Chip Seal Program, in the amount of \$37,990.04, plus interest earned on retainage.