



CITY OF NOVI CITY COUNCIL
DECEMBER 2, 2024

SUBJECT: Approval of the final payment to Duke's Root Control, Inc., for the Distribution System Material Inventory Hydro-Excavation project, in the amount of \$79,942, plus interest earned on retainage.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- MDEGLE required inventory of water services looking for lead or galvanized lines
- Phase 1 – interior home inspection
- Phase 2 – physical exterior inspection (hydro-excavation)
- No lead services found

FINANCIAL IMPACT

	FY 2024/25
EXPENDITURE REQUIRED	\$ 68,910.00 – Expenditure <u>\$ 11,032.20 – Retainage</u> \$ 79,942.20 – Total
BUDGET <u>Water and Sewer Fund</u> 592-536.00-816.056 Expense 592-000.00-211.259 Retainage	 \$ 68,910.00 \$ 11,032.20
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0

BACKGROUND INFORMATION:

The Michigan Department of Environment, Great Lakes, and Energy (MDEGLE) is requiring all communities to complete a Distribution System Material Inventory (DSMI) to determine if any lead or galvanized water service lines exist in the City's system. If any exist, a plan must be put in place to replace a minimum of 5 percent per year. Staff recently completed a preliminary inventory, the first step in the process, and based on the information obtained staff did not believe any lead service lines existed. However, the complete DSMI was still required, which involved randomly selecting properties for physical verification of the water service line materials at three points (see figure), including the public portion of the line, the private portion of the line, and the interior portion of the line. A fourth verification point would be required if lead "goosenecks" were believed to be used at the connection to the main. This project completed interior and exterior inspections at 378 properties. No lead services were found to exist.

Following the completion of the required inspections, all project documentation was submitted to both the Environmental Protection Agency (EPA) and MDEGLE.

This construction contract was awarded at the January 22, 2024 City Council meeting to Underground Infrastructure Services, now Duke's Root Control, Inc., in the amount of \$261,712.00. Staff worked with the engineering consultant for this project, OHM-Advisors, to review and verify the final contract amount of \$79,942.20 due to the contractor. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, November 18, 2024).

There was one (1) approved balancing change order issued resulting in a decrease of \$82,480.00 or 31.5% under the awarded amount. The approved balancing change order resulted in a final contract price of \$179,232.00.

RECOMMENDED ACTION: Approval of the final payment to Duke's Root Control, Inc. for the Distribution System Material Inventory Hydro-Excavation project, in the amount of \$79,942.20, plus interest earned on retainage.