



CITY OF NOVI CITY COUNCIL
SEPTEMBER 30, 2024

SUBJECT: Approval of the final payments to Mattioli Cement Company, LLC for the 2022 and 2023 Neighborhood Road Program – Concrete Streets in the amount of \$42,382.83 and \$76,400.87, respectively, plus interest earned on retainage.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Both contract years were performed on budget and on time.
- Both contract years had street or street segments added.
- Several streets in the 2022 year exhibited surface scaling, which has been corrected.

FINANCIAL IMPACT

	FY 2023/24
EXPENDITURE REQUIRED	\$ 42,382.83 NRP 2022- Retainage \$ 76,400.87 NRP 2023- Retainage
BUDGET <u>Local Street Fund</u>	
NRP 2022-Retainage (203-000.00-211.339)	\$ 42,384
NRP 2023-Retainage (203-000.00-211.295)	\$ 76,401
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0

BACKGROUND INFORMATION:

The concrete 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 with regard to the scheduling of different project areas. The NRP work includes both concrete rehabilitation and reconstruction of local roadways 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 concrete program: Lancaster Court, Laramie Drive, Gen-Mar Street (east-west portion),

Cumberland Drive (added via change order), and Ironside Court (added via change order).

The following streets were selected and completed as part of the 2023 concrete program: Anthony Drive, Wright Way, Highlands Drive (changed via change order from panel replacements to full reconstruct), Williams Drive, Irvine Drive, Violet Lane, Bertram Drive, Moorgate Street, and southern cul-de-sac portion of Heathergreene Court (added by change order for drainage improvements via the drain fund).

This was the seventh and eighth year in a row for this contractor who continues to perform above and beyond, completing both contract years ahead of schedule and within projected budgets.

Upon inspections that were performed in the spring of 2023 of the 2022 NRP, it was determined that several streets in that program were exhibiting a serious surface scaling issue created solely by a deficient concrete mix. Although, the concrete was deemed to be structurally adequate, the surface was very unsightly and could have had lasting effects down the road. In 2024 and mostly out-of-pocket, the contractor and concrete supplier either fully replaced with new concrete or ground off the surface of the affected areas. The City did contribute funds for reinspection and material testing.

This two-year construction contract was awarded at the April 25, 2022, City Council meeting to Mattioli Cement Company, LLC, in the amount of \$2,309,088.50. Staff worked with the engineering consultant for this project, Spalding DeDecker & Associates, to review and verify the final contract amounts of \$42,382.83 (2022-retainage) and \$76,400.87 (2023-retainage) that is due the contractor. The City Attorney reviewed the final documentation and found it to be in an acceptable form (Beth Saarela, September 9, 2024).

For the 2022 program, there were five (5) approved change orders issued resulting in an overall increase of \$565,187.05 or 50.0% over the awarded amount. The approved change orders resulted in a final contract price of \$1,695,313.30 for the 2022 contract. For the 2023 program, there were three (3) approved change orders issued resulting in an overall increase of \$349,054.90 or 29.6% over the awarded amount. The approved change orders resulted in a final contract price of \$1,528,017.15 for the 2023 contract.

RECOMMENDED ACTION: Approval of the final payments to Mattioli Cement Company, LLC for the 2022 and 2023 Neighborhood Road Program – Concrete Streets in the amount of \$42,382.83 and \$76,400.87, respectively, plus interest earned on retainage.