



CITY OF NOVI CITY COUNCIL
JUNE 23, 2025

SUBJECT: Consideration of adoption of a resolution authorizing approval of a contract with the Michigan Department of Transportation (MDOT) for the rehabilitation of 13 Mile Road between M-5 and Haggerty Road, in the amount of \$357,459.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- MDOT requires the City to agree to a cost participation agreement for projects receiving federal funds.
- The City's is responsible for an estimated \$357,459 of the construction award, which is the low bid of \$881,204 minus the \$523,745 federal funds.
- The City is responsible 100% for the construction engineering and material testing services costs.
- Construction may begin this July, depending on the contractor's availability.

FINANCIAL IMPACT

	FY 2025/26
EXPENDITURE REQUIRED	\$ 357,459.62 Construction <u>\$ 111,308.00 ENG</u> \$ 468,768.00
BUDGET Major Street Fund 202-449.20-975.153	 \$ 725,642.00
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0

Budget includes current estimated total project costs for construction (construction engineering, crew days, material testing, contingency, etc.), which is currently \$583K once federal funds are deducted.

BACKGROUND INFORMATION:

The City was awarded \$523,745 in federal funds for obligation in 2025 through the Oakland County Federal Aid Committee (FAC) Transportation Improvement Program (TIP) for the rehabilitation of 13 Mile Rd between M-5 and Haggerty Rd. MDOT is responsible for administering federal funding to local agencies.

The contract is broken down into two parts:

- Part A – Hot mix asphalt cold milling and resurfacing, trenching and aggregate shoulders along 13 Mile Road from M-5 to Haggerty Road (receiving federal funding).
- Part B – Irrigation and audio-visual route survey along the project limits (not eligible for federal funding).

MDOT's bid letting for the project was on June 6, 2025. Of the four bids received by MDOT, Ajax Paving Industries, Inc. was the lowest at \$881,204.62. The City is responsible for the construction engineering services and material testing services related to this project, which will be awarded to the following pre-qualified firms using the fee percentages in the Agreements for Professional Engineering Services and Geotechnical Engineering Services for Public Projects. The amounts are based on the low bid amount of \$881,204.62.

\$ 881,204.62 Construction Contract Award based on the Lowest Bidder

\$ 523,745.00 Less Federal Funds

\$ 357,459.62 City's Estimated Responsibility of the Construction Award

OHM Advisors		
Contract Administration	6% of the construction award	\$ 52,872.28
Crew Days	\$800 daily inspection fee x 40 days	\$ 32,000.00
G2		
Material testing services	3.0% of construction award	\$ 26,436.14

Total \$111,308.00

The City Attorney reviewed the contract and resolution favorably (Beth Saarela, June 11, 2025). Depending on the contractor's availability, construction may begin this July.

RECOMMENDED ACTION: Adoption of a resolution authorizing approval of a contract with the Michigan Department of Transportation (MDOT) to agree to the rights and obligations associated with the rehabilitation of 13 Mile Road between M-5 and Haggerty Road, with the City of Novi's estimated responsibility for construction in the amount of \$357,459.