



CITY COUNCIL ACTION REPORT

November 5, 2012

TO: The Honorable Mayor and City Council

FROM: Michael W. Culpepper, Interim City Manager
Mark Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

SUBJECT: Approval of Amendment to MDOT Capital Contract for the Troy Multi-Modal Transit Facility, MDOT Contract No. 2011-0231/A1

Recommendation:

Staff recommends that City Council approve Amendment A1 to MDOT Capital Contract No. 2011-0231 for the purpose of reducing the \$8,485,212 in federal funds to \$6,272,500 approved by City Council on January 17, 2012. The amendment is based on standard MDOT contract language. Furthermore, staff recommends that the Mayor and City Clerk be authorized to execute the amendment.

Background:

On September 12, 2011 City Council approved Capital Contract No. 2011-0231 with MDOT (Resolution No. 2011-09-210) for the final design and construction of the Troy Multi-Modal Transit Facility. MDOT made \$8,485,212 in federal funding available to the City for use in financing the project.

On January 17, 2012, City Council resolved that the total cost of the Troy Multi-Modal Transit Center shall not exceed \$6,272,500 (Resolution No. 2012-01-008).

Amendment A1 to the MDOT Capital Contract reduces the funding amount from the original \$8,485,212 to the not to exceed amount of \$6,272,500 previously approved by City Council.

Financial Considerations:

The total project cost of \$6,272,500 continues to be fully funded, 100% with federal ARRA funds. No city funding is needed for the construction of the Transit Center.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

RICK SNYDER
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

November 2, 2012

Mr. Mark Miller
City of Troy
500 West Big Beaver Road
Troy, Michigan 48084

Dear Mr. Miller:

The Michigan Department of Transportation (MDOT) is requesting that the City of Troy sign an amendment to Contract #2011-0231 for the final design and construction of the Troy Multi-Modal Transit Facility. This amendment will affect only the funding outlined in the contract.

The initial contracted amount in this 100% federally funded agreement was \$8,485,212.00. On January 17, 2012 the Troy City Council approved \$6,272,500.00 of the \$8,485,212.00 to be spent on this project and the amendment to this contract will reflect this new amount. Also, MDOT understands that the Guaranteed Maximum Price (GMP) for this contract has since been approved by the Troy City Council and this amendment, which reduces the project by \$2,212,712.00, and will not prevent the completion of this facility as outlined in the contract.

The amendment of this contract has been sent to the City of Troy and upon your approval and signature it will be executed. If you have any questions regarding this contract revision, please contact me at 517-373-8749.

MDOT shares your excitement as this project breaks ground this month!! We look forward to working with you in the months ahead.

Sincerely,

Therese G. Cody
Rail Operating Programs Manager
Office of Rail

MICHIGAN DEPARTMENT OF TRANSPORTATION
CITY OF TROY
AMENDMENT

This Amendatory Contract is made and entered into this date of _____ by and between the Michigan Department of Transportation (DEPARTMENT) and the City of Troy (CITY) for the purpose of amending Contract No. 2011-0231 (CONTRACT), effective October 1, 2011.

Recitals:

The CONTRACT provides federal grant funds for the final design and construction of the Troy Multi-Modal Transit Facility; and

The parties desire to amend the CONTRACT to reduce the grant to match the \$6,272,500 amount approved for the facility by the Troy City Council on January 17, 2012.

The parties agree that the CONTRACT be and that the same is amended as follows:

1. In order to reduce the CONTRACT amount by Two Million Two Hundred Twelve Thousand Seven Hundred Twelve Dollars (\$2,212,712.00), for a revised total CONTRACT amount of Six Million Two Hundred Seventy-Two Thousand Five Hundred Dollars (\$6,272,500.00), Sections 1, 3, 4, and 5(c) of the CONTRACT are amended to read as follows, and Attachment A of the CONTRACT, dated March 8, 2011, is replaced with Revised Attachment A, dated August 1, 2012.

"Section 1. PURPOSE

This Contract is to provide for the final design and construction of the Troy Multi-Modal Transit Facility, as set forth in Revised Attachment A, dated August 1, 2012, attached hereto and made a part hereof, such work hereinafter referred to as the "PROJECT." The PROJECT will be performed in accordance with the Statement of Work, attached to and a part of the Grant Agreement (as defined below) submitted to the FRA by the DEPARTMENT, said Statement of Work attached hereto and made a part hereof by reference as if the same were repeated in full herein.

The DEPARTMENT will participate in the PROJECT by making up to Six Million Two Hundred Seventy-Two Thousand Five Hundred Dollars (\$6,272,500.00) in ARRA funding available to the CITY for use in financing the PROJECT, as set forth in Section 4."

"Section 3. COST

The DEPARTMENT and the CITY agree that the maximum PROJECT amount of Six Million Two Hundred Seventy-Two Thousand Five Hundred Dollars (\$6,272,500.00) set forth in Revised Attachment A represents estimated line item costs required to complete the PROJECT and may be subject to revision and adjustment. Therefore, the DEPARTMENT and the CITY agree that revisions or adjustments to estimated line item costs set forth in Attachment A are permitted, provided, however, that such revisions or adjustments will not result in an increase in the financial obligations of the DEPARTMENT, as set forth in Section 4 of this Contract, or in a change in the scope of the PROJECT, unless by prior award of a written amendment to this Contract. All costs in excess of the amount stated above will be the CITY's responsibility.

No work may begin on the PROJECT until the work plan is approved by the DEPARTMENT and the DEPARTMENT provides the CITY with written notification to proceed. The DEPARTMENT will allow costs to be incurred by the CITY for the PROJECT prior to award of this Contract. If costs are incurred for the PROJECT that are not approved by the DEPARTMENT, those costs will not be eligible for reimbursement and will remain the responsibility of the CITY. If for any reason this Contract is not awarded, the DEPARTMENT will not be responsible for any expenses that have been incurred.

Funding for this Contract made available through legislative appropriation is based on projected revenue estimates. The DEPARTMENT may reduce the amount of this Contract if the revenue actually received is insufficient to support the appropriation under which this Contract is made."

"Section 4. COST REIMBURSEMENT

The PROJECT cost will be met by contributions from the federal government. Federal ARRA funds will be applied to 100 percent of the eligible items of PROJECT cost not to exceed Six Million Two Hundred Seventy-Two Thousand Five Hundred Dollars (\$6,272,500.00), as set forth in Revised Attachment A. All costs in excess of the amount stated above will be the CITY's responsibility.

Reimbursement for costs incurred is subject to the cost criteria set forth in OMB Circular A-87, 49 CFR Part 18, and Federal Acquisition Regulations, 48 CFR Chapter I, Subpart 31.2, incorporated herein by reference as if the same were repeated in full herein. ARRA funds used for management and administrative

costs will be allowable, reasonable, allocable, and in accordance with applicable OMB cost principles.”

“[5]c. The DEPARTMENT will reimburse the CITY for all eligible PROJECT costs, as set forth in Revised Attachment A, within thirty (30) days of receiving said billings, up to a maximum amount of Six Million Two Hundred Seventy-Two Thousand Five Hundred Dollars (\$6,272,500.00).”

2. All other provisions of the CONTRACT, except as herein amended, remain in full force and effect as originally set forth.
3. The CITY agrees that the compensation noted above represents payment in full for all services requested by the DEPARTMENT and waives any and all claims it has or may have against the DEPARTMENT that arise out of the need to amend the CONTRACT.

4. This Amendatory Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the CITY and the DEPARTMENT and upon adoption of a resolution approving said Amendatory Contract and authorizing the signature(s) thereto of the respective representatives(s) of the CITY, a certified copy of which resolution will be sent to the DEPARTMENT with this Amendatory Contract, as applicable.

CITY OF TROY

By: _____
Title:

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director

ATTACHMENT A
THE CITY OF TROY
AND
THE STATE OF MICHIGAN

October 29, 2012

Total estimated cost breakdown for the final design and construction of the Troy Multi-Modal Transit Facility:

Professional services, architectural, engineering and construction management	\$1,816,359
Construction, and Contingency	<u>4,456,141</u>
Project Total to be contributed by the Michigan Department of Transportation	\$6,272,500

Funding source:

ARRA

FY10/77619 \$8,485,212