

August 3, 2006

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/Services
Steve Vandette, City Engineer

SUBJECT: **Agenda Item** – Amendatory Cost Participation Agreement for the Long Lake / Livernois / Crooks Concrete Pavement Replacement Project
Project No. 05.106.5

RECOMMENDATION

Staff recommends that City Council approve the attached Amendatory Cost Participation Agreement between the City of Troy and the Board of Road Commissioners for Oakland County (RCOC) for the Long Lake / Livernois / Crooks Concrete Pavement Replacement Project. The cost to the City shall not to exceed \$772,916 without written authorization from the RCOC and City, in accordance with the agreement. Furthermore, staff recommends that the Mayor and City Clerk are authorized to execute the Amendatory Cost Participation Agreement.

This project will serve to dramatically improve the condition of Long Lake and Livernois, Long Lake west to Crooks and all four legs of Long Lake / Crooks intersection, which are severely deteriorated due to Alkali Silica Reactivity (ASR).

BACKGROUND

The estimated contractor payment amount from the January 2006 cost participation agreement was \$1,600,000. This cost was part of an overall project cost projection of \$2.0M for concrete replacement on Long Lake, Livernois and Crooks near the Long Lake intersection, which also included design and construction engineering. The entire project cost is shared 50/50 with the RCOC. The City share was capped at \$1,000,000 per the agreement, unless the City gives written authorization. However, the use of Tri-Party funds reduced our share to \$602,572.

Bids received by the RCOC, after fieldwork determined the actual quantities of concrete needing replacement, resulted in a low bid of \$1,995,375.95. While this is only slightly over the engineer's estimate of \$1,947,561.50 or 2.5% above the estimate, the amount of the contractor payment is approximately \$400,000 more than the cost projected in the January agreement. The total estimated project cost based on the low bid and including design and construction engineering is \$2,500,000. With the use of the same Tri-Party fund amounts as in the January agreement, and with an additional \$119,484 from un-obligated 2004 Tri-Party funds, the new City share becomes \$772,916. Of this amount \$238,541 is the required city match for the Tri-Parting funding. The City's total participation is under the \$1.0M cap and the overall project cost split becomes approximately 31% City and 69% RCOC and County.

FUNDING

Funds for this work are included in the 2006-07 Major Roads fund, account number 401479.7989.051065. The additional \$170,344 under the Amendatory Cost Participation Agreement is available from contingency within the Major Roads fund.

Prepared by: Steven J. Vandette, City Engineer

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FIRST AMENDMENT TO COST PARTICIPATION AGREEMENT DATED FEBRUARY 23, 2006

2006 CONCRETE PROGRAM

Crooks Road / Long Lake Road / Livernois Road

City of Troy

BOARD Project Number 48551

This FIRST AMENDMENT to the Agreement Dated February 23, 2006, said FIRST AMENDMENT being made and entered into this _____ day of _____, 2006, by and between the Board of Road Commissioners for the County of Oakland, Michigan, hereinafter referred to as the BOARD, and the City of Troy, hereinafter referred to as the COMMUNITY, provides as follows:

WHEREAS, on February 23, 2006, the BOARD and the COMMUNITY entered into an Agreement (the AGREEMENT) to provide for the reconstruction of deteriorating concrete surfaces on Long Lake Road from Crooks Road to Livernois Road; and

WHEREAS, the AGREEMENT provided an estimated total cost of the PROJECT of \$2,000,000 with the COMMUNITY'S share of \$1,000,000 funded through the Tri-Party Program; and

WHEREAS, the AGREEMENT provided that if the total PROJECT costs exceed the estimated amount of \$2,000,000, the overage shall be funded upon written authorization by the BOARD and the COMMUNITY; and

WHEREAS, pursuant to the BOARD'S advertisement for bids for the PROJECT, the lowest responsible bid is \$1,995,375.85, which amount exceeds the Estimate of \$1,947,561.50 by 2.5%; and

WHEREAS, the parties hereto desire to amend the AGREEMENT to provide for an increase to the estimated contractor payments from \$1,600,000 to \$2,000,000, along with an increase to the cost of associated engineering services, as described in this FIRST AMENDMENT EXHIBIT A, attached hereto and made a part hereof; and

WHEREAS, as amended, the estimated total cost of the PROJECT is \$2,500,000.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in conformity with applicable law, it is hereby agreed between the COMMUNITY and the BOARD that:

1. Paragraph 3 of the AGREEMENT is amended to read as follows:

3. The estimated total PROJECT cost of \$2,500,000 shall be shared equally by the BOARD and the COMMUNITY. Each 50% share is estimated to be \$1,250,000, respectively

2. Paragraph 4 of the AGREEMENT is amended to read as follows:

4. The COMMUNITY'S 50% share of \$1,250,000 shall be funded in accordance with the following:

- a. The Tri-Party Program allocation to the PROJECT cost is limited to \$715,625.
- b. Of the COMMUNITY'S total 50% share of \$1,250,000, the remaining share not met in part with the Tri-Party Program amount of \$715,625, shall be funded solely by the COMMUNITY, which amount is estimated to be \$534,375.
- c. The BOARD shall credit to the PROJECT costs, the COUNTY'S Tri-Party contribution of \$238,542, together with the BOARD'S Tri-Party contribution in an equal amount.
- d. In the event the total PROJECT costs exceed the estimated amount of \$2,500,000, the overage(s) shall be funded 50% by the BOARD and 50% by the COMMUNITY.

3. Paragraph 5 of the AGREEMENT is amended to read as follows:

5. Upon execution of this FIRST AMENDMENT, the BOARD shall submit an invoice to the COMMUNITY for \$385,458 (being half of \$772,916 for the COMMUNITY'S 50% share of the estimated total PROJECT cost).

4. Except as set forth herein, all other terms and conditions of the AGREEMENT remain as originally set forth therein.

IN WITNESS WHEREOF, the parties hereto have executed this FIRST AMENDMENT
the day and date first written above.

BOARD OF ROAD COMMISSIONERS FOR THE
COUNTY OF OAKLAND
A Public Body Corporate

By _____

Its _____

CITY OF TROY

By _____

Its _____

By _____

Its _____

FIRST AMENDMENT EXHIBIT A
T R I - P A R T Y P R O G R A M

County Supported Road Improvements

2006 CONCRETE PROGRAM

Crooks Road/Long Lake Road/Livernois Road

In the

City of Troy

BOARD Project Number 48551

TOTAL ESTIMATED PROJECT COST

Preliminary Engineering (approx. 10% of contractor payments)	\$ 200,000
Contractor Payments (based on low bid amount)	2,000,000
Construction Engineering (approx. 15% of contractor payments)	<u>300,000</u>
TOTAL ESTIMATED PROJECT COST	<u>\$2,500,000</u>

DISTRIBUTION OF ESTIMATED COST

BOARD (50% share)	\$ 1,250,000
COMMUNITY (50% share)	<u>\$ 1,250,000</u>
TOTAL ESTIMATED PROJECT COST	<u>\$ 2,500,000</u>

BREAKDOWN OF COMMUNITY'S ESTIMATED SHARE

	COMMUNITY	BOARD	COUNTY	TOTAL
2004 Tri-Party allotment	\$ 39,828	\$ 39,828	\$ 39,828	\$ 119,484
2006 Tri-Party allotment	198,713	198,714	198,714	596,141
Funding (No Tri-Party)	534,375	\$1,250,000	0	1,784,375
TOTAL	\$772,916	\$1,488,542	\$238,542	\$2,500,000