



CITY COUNCIL AGENDA ITEM

Date: November 10, 2014

To: Brian Kischnick, City Manager

From: Timothy Richnak, Public Works Director

Subject: Winter Maintenance Agreement, Road Commission for Oakland County
(Introduced by: Timothy Richnak, DPW)

History

Since 2001 the City of Troy has serviced all county roads in Troy for snow and ice control. The amount of compensation to the City has not increased since the 2007/2008 Winter Maintenance Agreement (\$249,691), which does not cover costs but does provide for a higher level of service by the City. The higher level of service has cost the City an average of \$98,130 per year, with expenditures in 2002 amounting to \$41,811 less than what was received by the Road Commission for Oakland County (RCOC) and last year's expenditures exceeding revenues received by \$387,224. For detailed expense information refer to the Road Commission of Oakland County Winter Maintenance Contract Expense History graph.

The extremely harsh winter of 2013/14, with record snowfall has escalated salt prices. The seasonal back-up salt prices have more than doubled from \$36.77 to \$76.61 per ton, due to the supply of mined salt. A substantial increase in salt prices was also triggered after a severe winter in 2008/2009. See "Seasonal Back-Up Salt Prices" line chart for historical salt price data.

Attached are copies of the proposed 2014/2015 Winter Maintenance Agreement between the Road Commission for Oakland County and the City of Troy.

It is evident that this agreement is beneficial to the residents, businesses and traveling public with regards to the level and timeliness of service. The City is able to administer snow and ice control in a more timely and uniform manner to these high priority roads, while allowing the county to concentrate on its highest priority roads, I-75 and M-59.

Financial

Funds are budgeted and available in the winter maintenance operating budgets for county snow and ice control (Labor 101.502.7702, Materials 101.502.7774.115 and Equipment 101.502.7943).

Recommendation

City Management is in agreement with the measured lane mile figures as presented, and with the calculations used to determine the level of compensation for each road configuration; therefore we recommend that the proposed maintenance agreement be approved with funding that is attached to the road segment selected by City Council.

City Attorney's Review as to Form and Legality

Lori Grigg Bluhm, City Attorney

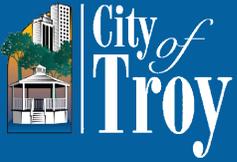
Date



CITY COUNCIL AGENDA ITEM

Road Commission of Oakland County Winter Maintenance Contract Expense History															Total	% of Expenses
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014			
Personal Services	\$ 67,971	\$ 109,889	\$ 85,042	\$ 122,384	\$ 87,472	\$ 93,444	\$ 173,673	\$ 125,799	\$ 69,447	\$ 113,287	\$ 49,177	\$ 61,799	\$ 231,716	\$ 1,391,100	31.7%	
Vehicles & Equipment	\$ 39,260	\$ 73,090	\$ 62,263	\$ 88,718	\$ 57,674	\$ 58,122	\$ 112,434	\$ 117,084	\$ 56,849	\$ 79,109	\$ 42,838	\$ 62,300	\$ 185,740	\$ 1,035,481	23.6%	
Salt and Supplies	\$ 64,128	\$ 128,162	\$ 118,385	\$ 167,386	\$ 128,565	\$ 120,004	\$ 257,666	\$ 238,349	\$ 114,949	\$ 191,836	\$ 81,388	\$ 123,749	\$ 219,459	\$ 1,954,026	44.6%	
Totals Expense	\$ 171,359	\$ 311,141	\$ 265,690	\$ 378,488	\$ 273,711	\$ 271,570	\$ 543,773	\$ 481,232	\$ 244,114	\$ 384,232	\$ 173,403	\$ 247,848	\$ 636,915	\$ 4,383,476		
RCOC Contract Amount	\$ 213,170	\$ 219,565	\$ 226,152	\$ 230,676	\$ 235,289	\$ 239,995	\$ 244,795	\$ 249,691	\$ 249,691	\$ 249,691	\$ 249,691	\$ 249,691	\$ 249,691	\$ 3,107,788		
Net Cost to City	\$ 41,811	\$ 91,576	\$ 39,538	\$ 147,812	\$ 38,422	\$ 31,575	\$ 298,978	\$ 231,541	\$ 5,577	\$ 134,541	\$ 76,288	\$ 1,843	\$ 387,224	\$ 1,526,726		
Average Net Cost to City / Year				\$ 98,130												





City of Troy
**Roadway
Jurisdiction**

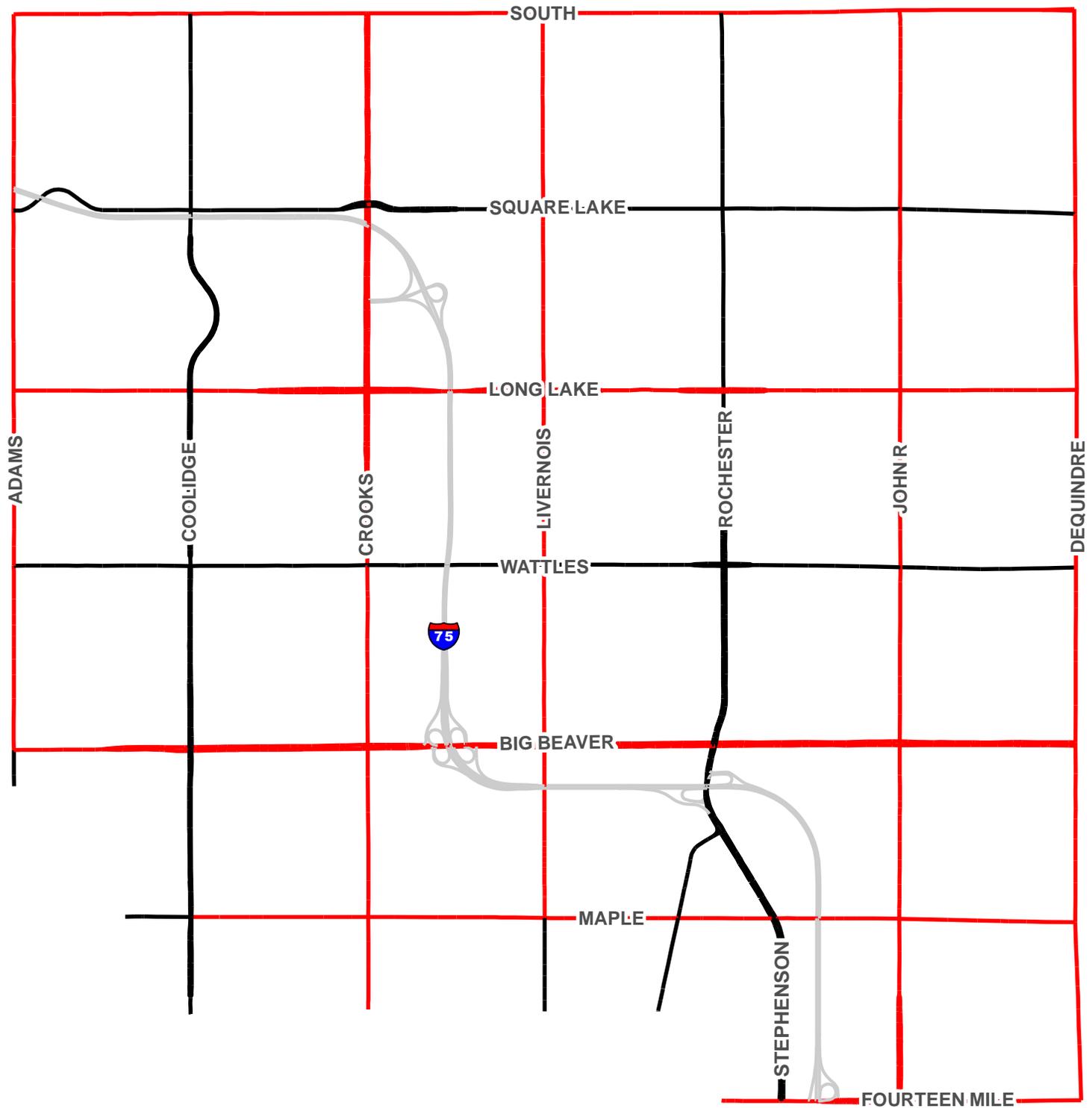
-  Troy
-  Oakland County
-  State



CONTACT INFORMATION:

Troy Public Works
248-524-3392
<http://troymi.gov/>

Oakland County Road Commission
248-858-4804
<http://www.rcocweb.org/default.aspx>





QUALITY LIFE THROUGH GOOD ROADS:
ROAD COMMISSION FOR OAKLAND COUNTY
"WE CARE."

Board of Road Commissioners

Ronald J. Fowkes
Commissioner

Gregory C. Jamian
Commissioner

Eric S. Wilson
Commissioner

Dennis G. Kolar, P.E.
Managing Director

Gary Plotrowicz, P.E., P.T.O.E.
Deputy Managing Director
County Highway Engineer

Maintenance
Department
Headquarters

2420 Pontiac Lake Road
Waterford, MI
48328

248-858-4881

FAX
248-858-7607

TDD
248-858-8005

www.rcocweb.org

August 15, 2014

Mr. Timothy Richnak
Director of Public Works
City of Troy
500 West Big Beaver Road
Troy, Michigan 48084-5285

RE: 2014-2015 Winter Maintenance Agreement

Dear Mr. Richnak:

Attached are two copies of a Winter Maintenance Agreement between the Road Commission for Oakland County and the City of Troy.

If this agreement is satisfactory, please return the two-signed copies and the resolution of approval by your City Council. One fully signed copy will be returned to you upon approval by the Board of Road Commissioners.

Please furnish proof that your liability insurance covers this agreement, and particularly covers your personnel and equipment working on county roads under the jurisdiction of the Board of Road Commissioners. If there are any changes in this coverage during the term of this agreement, we must be notified of these changes. We will also need a current certificate of membership in the Michigan Municipal Workers Compensation Fund.

The Board of Road Commissioners and I extend our appreciation to you, the City Council, and your personnel for the fine work that has been done. We will continue to cooperate in any way to provide our citizens with the best road system possible.

We request that your signed agreement be returned to us no later than the end of November, so that we may present the agreement to our Board prior to the end of the year, which will allow RCOC to make payments per the agreement.

Sincerely,

Darryl M. Heid, P.E.
Director of Highway Maintenance

/slp
Attachment

2014-2015 WINTER MAINTENANCE AGREEMENT
CITY OF TROY

Under 1951 PA 51, As Amended

This Winter Maintenance Agreement (“Agreement”) is made this ____ day of _____, 2014, between the Board of County Road Commissioners of the County of Oakland, State of Michigan, a public body corporate, hereinafter referred to as the “Board,” and the City of Troy, Oakland County Michigan, a Michigan municipal corporation hereinafter referred to as the “City.”

WHEREAS, certain county primary and local roads more specifically set forth in Exhibit A, attached hereto, are under the jurisdiction and control of the Board and are located within or adjacent to the City; and

WHEREAS, The City desires to be responsible for certain winter maintenance of said roads under the terms of this Agreement, and the Board is willing to participate in the cost thereof as provided in Section III of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein as provided, it is hereby agreed as follows:

I

The City will perform Winter Maintenance of certain roads under the terms of this Agreement, and the Board will participate in the cost thereof as provided in Section III of this Agreement. “Winter Maintenance,” herein required to be performed by the City, shall mean snow removal and ice control, on all roads listed in Exhibit A, as follows: Snow removal by blading, plowing and other methods necessary to make the roads reasonably safe for public travel, and ice control by salting, sanding, scraping and other methods necessary to make the roads reasonably safe for public travel, together with such other work and services, such as recordkeeping and insurance, required by this Agreement. All Winter Maintenance work and services performed by the City shall be in accordance with the Board’s maintenance guidelines, including the Board adopted Winter Maintenance Guidelines, the Board’s standard practices and this Agreement.

II

The City shall keep accurate and uniform records of all Winter Maintenance work performed pursuant to this Agreement. The Board shall have the right to audit City accounts and records insofar as such documents concern this Agreement and the work and services performed and to be performed hereunder.

III

In consideration of the assumption of Winter Maintenance by the City, the Board hereby agrees to pay to the City the sum of \$249,691.36, as set forth in Exhibit A, attached hereto and made a part hereof. Such amounts are to be used by the City for Winter Maintenance. Payments are to be made by the Board to the City as follows:

35% in December, 2014
65% in March, 2015

The making of said payments shall constitute the Board's entire obligation in reference to Winter Maintenance.

IV

The City hereby agrees to hold harmless, represent, defend and indemnify the Board, the Road Commission for Oakland County, its officers, and employees of the County of Oakland; the Office of the Oakland County Water Resources Commissioner and applicable drainage districts(s); the Michigan State Department of Transportation and the Transportation Commission; and any and all local units(s) of government within which the roads subject to this Agreement are located, against any and all claims, charges, complaints, damages, or causes of action for (a) public or private property damage, (b) injuries to persons (including death), or (c) other claims, charges, complaints, damages or causes of action arising out of the performance or non-performance of the activities which are the subject matter of this Agreement, specifically those activities set out in Section I, both known and unknown, whether during the progress or after the completion thereof. However, this hold harmless provision does not apply in so far as any claim or suit is alleged to be, or demonstrated to be, the result of a defect in highway design or condition and not related to the Winter Maintenance activities set out in Section I. Further, since the Board has the statutory responsibility for maintenance of the roads under this Agreement, it is the intent of the parties that the delegation by this Agreement of those maintenance responsibilities to the City provide immunity to the City as an agent of the County. Therefore, the City falls within the governmental immunity protection of the County.

During that part of the year that the City is providing Winter Maintenance under Section I, the City agrees to promptly notify the Board as soon as possible, but not longer than 10 days, should it become aware of defects or maintenance requirements in the roads set forth in Exhibit A, if said defects or maintenance requirements are not Winter Maintenance subject to this Agreement.

V

The City shall acquire and maintain, during the term of the Agreement, statutory worker's compensation insurance, employer's liability insurance, automobile and comprehensive general liability insurance coverages, as more fully described in Exhibit B attached hereto, covering the Board's liability for any and all claims arising out of the City's performance or non-performance of the activities which are the subject matter of this Agreement.

VI

The City further agrees to comply with all applicable laws and regulations, including laws and regulations of the State of Michigan for safeguarding the air and waters of the State. In particular, City facilities and operations must meet the provisions of Part 5 (Spillage of Oil and Polluting Materials) rules promulgated pursuant to Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. (Rules R324.2001 through R324.2009 address release prevention planning, secondary containment, surveillance, and release reporting requirements).

VII

In accordance with Michigan 1976 Public Acts No. 220 and 453, being MCLA §§37.1209 and 37.2209, as the same may be amended, the City and its subcontractors shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status; or because of a disability that is unrelated to the

individual's ability to perform the duties of a particular job or position.. A breach of this covenant may be regarded as a material breach of this Agreement.

VIII

It is the intention of the parties hereto that this Agreement is not made for the benefit of any third party.

It is anticipated that subsequent agreements regarding Winter Maintenance activities will be executed annually by the Parties hereto.

The terms and conditions of this Agreement shall become effective on October 1, 2014, and shall continue in full force and effect until a subsequent Winter Maintenance agreement has been executed by the parties hereto or until this Agreement is terminated, as set forth below.

In the event that a subsequent Winter Maintenance agreement has not been executed by the parties hereto on or before September 1, 2015, either party may terminate this Agreement by providing the other party hereto with written notice of intent to terminate, at least thirty (30) days prior to the date of termination.

This Agreement is executed by the Board at its meeting of _____, and by the City by authority of a resolution of its governing body, adopted _____, (copy attached as Exhibit C).

Witnesses:

CITY OF TROY
A Municipal Corporation

By: _____

Its: _____

By: _____

Its: _____

Witnesses:

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

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A
WINTER MAINTENANCE
2014-2015
CITY OF TROY

EXHIBIT A

Long Lake Road

Extending from Adams to Dequindre

1.54 miles at \$3,252.78 per mile	\$ 5,009.28
0.16 miles at \$4,615.14 per mile	\$ 738.42
3.47 miles at \$5,692.38 per mile	\$ 19,752.56
0.86 miles at \$7,020.96 per mile	<u>\$ 6,038.03</u>
TOTAL	\$ 31,538.29

John R Road

Extending from Fourteen Mile Road to South Boulevard

1.15 miles at \$3,252.78 per mile	\$ 3,740.70
0.32 miles at \$4,615.14 per mile	\$ 1,476.84
4.37 miles at \$5,692.38 per mile	\$ 24,875.70
0.38 miles at \$7,020.96 per mile	<u>\$ 2,667.96</u>
TOTAL	\$ 32,761.20

Big Beaver

Extending from Adams to Dequindre

3.40 miles at \$5,692.38 per mile	\$ 19,354.09
2.61 miles at \$7,020.96 per mile	<u>\$ 18,324.71</u>
TOTAL	\$ 37,678.80

Crooks Road

Extending from Maple Road to South Boulevard

0.38 miles at \$3,252.78 per mile	\$ 1,236.06
0.26 miles at \$4,615.14 per mile	\$ 1,199.94
3.08 miles at \$5,692.38 per mile	\$ 17,532.53
1.40 miles at \$7,020.96 per mile	<u>\$ 9,829.34</u>
TOTAL	\$ 29,797.87

Livernois Road

Extending from Maple Road to South Boulevard

1.31 miles at \$3,252.78 per mile	\$ 4,261.14
0.34 miles at \$4,615.14 per mile	\$ 1,569.15
3.05 miles at \$5,692.38 per mile	\$ 17,361.76
0.43 miles at \$7,020.96 per mile	<u>\$ 3,019.01</u>
TOTAL	\$ 26,211.06

CITY OF TROY
EXHIBIT A
(Continued)

Maple Road

Extending from Dequindre to Coolidge
5.01 Miles at \$5,692.38 per mile

\$ 28,518.83

South Boulevard

Extending from Dequindre to Adams
5.96 Miles at \$3,252.78 per mile

\$ 19,386.57

Dequindre Road

Extending from Fourteen Mile to South Boulevard
2.16 Miles at \$3,252.78 per mile
3.98 Miles at \$5,692.38 per mile
TOTAL

\$ 7,026.00
\$ 22,655.67
\$ 29,681.67

Adams Road

Extending from South Troy City Limits to South Boulevard
4.34 Miles at \$3,252.78 per mile

\$ 14,117.07

TOTAL

\$249,691.36

CITY OF TROY
 EXHIBIT A
 (Continued)

TWO LANES

(\$3,252.78 per mile)

1.54 miles	\$ 5,009.28
1.15 miles	\$ 3,740.70
0.38 miles	\$ 1,236.06
1.31 miles	\$ 4,261.14
5.96 miles	\$ 19,386.57
2.16 miles	\$ 7,026.00
<u>4.34 miles</u>	<u>\$ 14,117.07</u>
16.84 miles	\$ 54,776.82

THREE LANES

(\$4,615.14 per mile)

0.16 miles	\$ 738.42
0.32 miles	\$ 1,476.84
0.26 miles	\$ 1,199.94
<u>0.34 miles</u>	<u>\$ 1,569.15</u>
1.08 miles	\$ 4,984.35

FOUR OR FIVE LANES

(\$5,692.38 per mile)

3.47 miles	\$ 19,752.56
4.37 miles	\$ 24,875.70
3.40 miles	\$ 19,354.09
3.08 miles	\$ 17,532.53
3.05 miles	\$ 17,361.76
5.01 miles	\$ 28,518.83
<u>3.98 miles</u>	<u>\$ 22,655.67</u>
26.36 miles	\$150,051.14

SIX OR MORE LANES

(\$7,020.96 per mile)

0.86 miles	\$ 6,038.03
0.38 miles	\$ 2,667.96
2.61 miles	\$ 18,324.71
1.40 miles	\$ 9,829.34
<u>0.43 miles</u>	<u>\$ 3,019.01</u>
5.68 miles	\$ 39,879.05

TOTAL 49.96 miles \$249,691.36

35% in December, 2014	\$ 87,391.98
65% in March, 2015	<u>\$162,299.38</u>
	<u>\$249,691.36</u>

EXHIBIT B

2014-2015 WINTER MAINTENANCE AGREEMENT

ROAD COMMISSION FOR OAKLAND COUNTY

**INSURANCE PROVISION
(CITY)**

Insurance Coverage:

The City, prior to execution of the maintenance agreement, shall file with the Road Commission for Oakland County, copies of completed certificates of insurance as evidence that he carries adequate insurance satisfactory to the Board. Insurance coverage shall be provided in accordance with the following:

- a. **Worker's Compensation and Employer's Liability Insurance:** The insurance shall provide worker's compensation protection for the City's employees, to the statutory limits of the State of Michigan, and provide Part B Employers Liability as follows:

Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$500,000

The indemnification obligation under this section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the City under worker's disability compensation coverage established by law.

- b. **Bodily Injury and Property Damage:** The insurance shall provide protection against all claims for damages to public or private property, and injuries to persons arising out of and during the progress and to the completion of the work, and with respect to product and completed operation for one year, after completion of the work.

- 1. **Bodily Injury and Property Damage Other Than Automobile:** The minimum limits of property damage and bodily injury liability covering each contract shall be:

Bodily Injury and Property Damage Liability:	or: Combined Single Limit:
Each Person \$1,000,000	Aggregate \$2,000,000
Each Occurrence \$1,000,000	
Aggregate \$2,000,000	

Such insurance shall include: 1) explosion, collapse, and underground damage hazards (x,c,u), which shall include, but not be limited to coverage for (a) underground damage to facilities due to drilling and excavating with mechanical equipment; and (b) collapse or structural injury to structures due to blasting or explosion, excavation, tunneling, pile driving, cofferdam work, or building moving or demolition; (2) products and completed operations; (3) contractual liability; and (4) independent contractors coverages.

2. Bodily Injury Liability and Property Damage Automobiles: The minimum limits of bodily injury liability and property damage liability shall be:

Bodily Injury and Property Damage Liability:		or: Combined Single Limit:
Each Person	\$1,000,000	Each Occurrence: \$1,000,000
Each Occurrence	\$1,000,000	

Such insurance shall include coverage for all owned, hired, and non-owned vehicles.

- c. Excess and Umbrellas Insurance – The City may substitute corresponding excess and/or umbrella liability insurance for a portion of the above listed requirements in order to meet the specified minimum limits of liability.
- d. The City shall provide for and in behalf of the Road Commission for Oakland County and all agencies specified by the Road Commission, as their interest may appear, Owner’s Protective Public Liability Insurance. Such insurance shall provide coverage and limits the same as the City’s General Liability Insurance.
- e. Notice – The City shall not cancel, renew, or non-renew the coverage of any insurance required by this Section without providing 30 day prior written notice to the Road Commission for Oakland County. All such insurance shall include an endorsement whereby the insurer shall agree to notify the Road Commission for Oakland County 30 days in advance of any reduction by the City. The City shall cease operations on the occurrence of any such cancellation or reduction, and shall not resume operations until new insurance is in force. If the City cannot secure the required insurance within 30 days, the Board reserves the right to terminate the Contract.
- f. Reports: Within thirty (30) days of receipt of each claim, the City or its insurance carrier shall report to the Road Commission a description of the claim received, the claim investigations made, and the disposition of claim.

See provisions of the maintenance agreement to which this Exhibit B is attached.