



## CITY COUNCIL ACTION ITEM

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Date: November 17, 2014

To: Brian Kischnick, City Manager

From: Timothy L Richnak, Public Works Director  
Steven Vandette, City Engineer

Subject: Acceptance of Consulting Engineer's Proposal for SAW Grant Work

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### History

City Council authorized staff to apply for a Stormwater Asset Management and Wastewater (SAW) Grant on November 25, 2013 (see attached Council Action Report J-07). Hubbell, Roth and Clark (HRC) consulting engineers was identified in the authorization request as the consultant that would help prepare the grant application.

City Manager Brian Kischnick received notice (attached) of a SAW Grant award, dated June 17, 2014, in the amount of \$1,999,943 from the Michigan Department of Environmental Quality (MDEQ). The amount of the grant, plus the City of Troy match of \$444,425, provides a total of \$2,444,368 for the project. This funding will be used to field inventory and rate the condition of the City's stormwater and wastewater systems, video inspect portions of both systems, integrate the new field data into the City's Geographic Information System (GIS) and create a Wastewater and Stormwater Asset Management Plan.

Hubbell, Roth and Clark, Inc. (HRC) was selected among the City's three (3) engineering consultants as the consultant best suited to help the City with the SAW grant work for the following reasons:

- HRC has the most knowledge of the City's Storm and Sanitary Sewer systems. HRC has done all the City's master planning for Storm, Water and Sanitary systems, having prepared numerous studies and master plans since the 1960's.
- There is a long history of technical compatibility between HRC and the City's surveying operations and GIS. A major element of the SAW grant is the integration of field data into the City's GIS.
- HRC has established an Asset Management Department specifically to provide the specialized services required for the SAW Grant Program.
- HRC staff has an in-depth knowledge of the SAW Program, gained through their participation on the MDEQ SAW Committee.
- The City's DPW and Engineering Departments have experience with HRC staff assigned to the SAW program through past work on projects with similar needs.



## CITY COUNCIL ACTION ITEM

- The MDEQ guidelines for the SAW Program do not require solicitation for engineering services, thus allowing the city to choose the most qualified consultant that it feels is best suited to perform the work.

Following receipt of the grant award notice, HRC was asked to submit a proposal (attached) for the extensive professional engineering services, contract services, and equipment and software purchases required for the SAW Grant project. This proposal has been reviewed by Engineering and DPW staffs over the past several weeks. The final proposal document presented herein, has been deemed acceptable as it comprehensively identifies the scope of services needed and estimated costs for completion of all work within the financial limits of the Grant. The cost for engineering services are based on hourly rates contained in the City's General Engineering Consulting Contract with HRC.

### **Financial**

HRC proposes to complete the storm sewer system tasks outlined in the proposal for a total estimated cost of \$995,489, including video inspection of sewers. In addition, \$226,657 is estimated for force account work, which includes such items as the purchase of GIS software and survey hardware that becomes City property, replacing 12 year old equipment in the Engineering Department, plus training and certification of City staff and work by DPW staff assisting HRC with locating buried manholes and integrating field data into the City's GIS.

HRC proposes to complete the sanitary sewer system tasks for a total estimated cost of \$621,247. This amount does not include video inspection of the sewers as this work is anticipated to be performed by our DPW staff. Video inspection, if City staff is not able to complete it during the 3-year grant timeframe, is included in the estimated cost of \$600,975 for force account work that also includes the same force account items listed above for the storm sewer system.

It should be noted that the final cost of HRC services and force account work can vary from the estimated costs contained in the proposal, but the combined total cost shall not exceed the total project cost of \$2,444,368.

Funds for Troy's match are included in the approved 3-year budget within the Drains and Sewer funds. The estimated consultant costs of \$1,616,736 are fully reimbursable under the SAW Grant. Both City and consultant costs are reimbursable up the grant limit of \$1,999,943. The City of Troy match of \$444,425 can be either a soft match for in-house services provided on the project or cash.

### **Recommendation**

City Management recommends acceptance of the Proposal for Professional Engineering Services from Hubbell, Roth and Clark Inc. for the SAW Grant scope of services at an estimated cost of \$1,616,736.



**PRINCIPALS**

George E. Hubbell  
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Keith D. McCormack  
Nancy M. D. Faught  
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November 17, 2014

City of Troy  
500 W. Big Beaver Road  
Troy, Michigan 48084

Attn: Mr. Timothy Richnak, Public Works Director

Re: Proposal for Professional Engineering Services HRC Job No. 20140465  
SAW Grant Scope

Dear Mr. Richnak:

In accordance with your request, Hubbell, Roth, & Clark, Inc. is pleased to submit the proposal for professional engineering services to define our services throughout the scope of your SAW Grant. This proposal outlines all HRC activities as outlined in the SAW Grant Application submitted by the City on December 2, 2013 and the agreement signed on May 8, 2014. The proposal also identifies tasks which the City will perform.

Hubbell, Roth, & Clark, Inc. has been very involved in the SAW program from its onset in 2013, including having members of our staff participate in the development of State guidance. HRC is currently assisting 23 communities with their SAW grant efforts. In addition, HRC has over 45 years of history working with the City on sanitary sewer and storm sewer projects, and has an intimate knowledge of the City's sanitary and storm system. HRC is also familiar with City staff and City procedures.

The City has procured funding for a Wastewater Asset Management Plan (WW AMP) and a Stormwater Asset Management Plan (SW AMP). The tasks are broken down on Stormwater versus Wastewater and will be tracked separately to enhance tracking, invoicing and disbursement requests.

This project will be a team of City staff and HRC staff. The grant amount has been maximized in order to best serve the City. At this time, a split between the City staff allocated time and HRC's staff allocated time has been estimated. If it is found that the City has more or less time available, HRC's estimated time and cost will be adjusted.

**WASTE WATER ASSET MANAGEMENT PLAN**

1. Project Initiation, Administration and Oversight (Throughout Project):

Under this task, HRC will provide oversight of the entire program to assure that the program is being completed on time, on budget, and in accordance with all grant requirements. This task will include kickoff and stakeholder meetings to establish the framework and goals for the WW AMP. This task will also include assisting with disbursement requests, preparing reports and presentations, and assisting City staff throughout the SAW process.

2. Asset Inventory and Data Collection

The City already has a robust sanitary sewer GIS which includes pipes and structures, and will be used for the remaining AMP tasks. Therefore, limited data collection will be completed as part of the WW AMP. The GIS will be reviewed, and HRC will work with the City's GIS staff to determine if additional fields need to be added in to complete the WW AMP. HRC will propose recommendations to enhance the GIS database to

incorporate the requirements of the SAW grant. While most of the fields needed for the AMP have already been populated by the City, HRC will assist as needed to enter the age of the system. In addition, the follow information will be entered:

- Condition
- Criticality
- Business Risk Evaluation “BRE” – equal to Condition x Criticality.

These fields are the primary requirement of the MDEQ for determining the asset value and are discussed in further detail in the “Condition Assessment” and “Assessment of Asset Criticality and Risk” sections of the grant application. Because the system is too large to field investigate all assets, the age, material, and location will be used to make assumptions about the pipe condition by extrapolating data.

### 3. Condition Assessment

This task will include the following items:

- City staff will use existing equipment to televise portions of the sanitary sewer system. Cleaning will be completed as necessary to perform condition assessment on the line. All videos will be rated using NASSCO PACP ratings and entered by City staff into the GIS.
- City staff will perform select manhole inspections using MACP ratings during the televising process.
- Pump station assessments will be based on recent inspections and completed upgrades. Field work may be required to verify assets.
- HRC will rate the major components of the sewer collection and treatment system, including extrapolating data for any assets that were not physically inspected based on other known attributes. This data will be entered in to the City’s GIS or Asset Management Software using the ratings indicated above.

### 4. Develop Level of Service Documentation

This task will include the following items:

- HRC will work with City staff to determine the desired level of service
  - Present the various levels of service available and the costs associated with them.
  - Level of service will be tied into state and federal requirements such as the SSO policy.
- HRC will attend a public meeting to present the study.

### 5. Assessment of Asset Criticality and Risk

This task will include the following items:

- Develop a risk assessment method based on quantitative and qualitative values associated with components (i.e. location of asset, service area, cost of repair, etc.)
- Rate each major component as to the risk of failure, or criticality (1-5)

- Review the failure history, and estimate the probability of failure (1-5)
- Determine remaining life and replacement value of assets.
- Perform the Business Risk Evaluation (BRE) by multiplying the probability of failure (condition) and the criticality rating (risk.)
- Work with the City to create a priority list of the most critical system assets.

#### 6. Investment Prioritization and Future Planning

Using the results of the Business Risk Evaluation, the short and long-term investment required to achieve the desired level of service will be determined and prioritized.

- Review the current O&M plan and develop alternate strategies to extend useful life.
- Determine rehabilitation, repair and replacement costs. Determine replacement needs and prioritize future maintenance/capital improvements.

#### 7. Long Term Funding Plan

HRC will work with the City staff and financial department to evaluate the impact of future liabilities/improvements on the sewer fund working capital. Consideration will be given to funding major projects with sewer fund working capital, grant funding or bond financing under a variety of bond interest and payback scenarios if required. The cost analysis will include the operation, maintenance and long term capital improvements of the sanitary sewer system. Major components of this task include:

- Developing a 20-year capital improvement plan
- Review the current rate structure
- Prepare a report summarizing the findings, including any funding needs to meet estimated expenses
- Determine amount required to fund first 10% of any improvements, and develop a 5-year plan to address remaining portion of improvements, as required by the SAW grant
- Present the findings to the City Council and staff

We will assist the City's financial department by improvement costs to help to determine the needed funding. Sewer revenues and working capital will need to cover 10% of the cost of the improvements within three (3) years of the grant agreement (prior to May 8, 2017).

#### 8. Submission to MDEQ and Follow Up

The SAW grant requires a Certificate of Completeness be submitted to the MDEQ in order to close out the grant (see attached.) It requires that a summary of the WW AMP that identifies major assets be developed and made available to the MDEQ and public via a website for a minimum of 15 years. The Certificate of Completion for sanitary sewer systems also requires that funding sources such as the City's sewer working capital be identified to address the first 10% of any identified improvements, if found. The certification shall be adopted by the required grant completion date and also requires a five year plan to close the remaining gap.

- Develop document summarizing the AMP for submission to MDEQ and posting on the City's website that includes identification of major assets, while ensuring that information is presented in such a way that vulnerability of critical assets is minimized.
- Submit required Certificate of Completion and address any MDEQ comments or questions.
- Turn over completed GIS database, reports, any hardware or software purchased, and other required deliverables to the client.

HRC proposes to complete the tasks as outlined above for the sanitary sewer system at a total cost of \$621,247 as shown on the attached table. Because City staff has already completed much of the GIS work, this number may be decreased allowing for additional cleaning and televising by City staff or a televising contractor. It should be noted that an estimate was made for force account work of \$600,975, which includes \$366,222 for televising. This force account work is also for GIS work, meeting time, and other assistance. Please note, if City staff is not available, additional consultant time may be used to bring the total cost to \$1,222,222 as awarded by the grant. Similarly, if additional staff time is available to assist with this work, HRC's costs will go down and the City's portion of the project will increase. All expenses will be reimbursed approximately 83% (90% of first \$1M spent and 75% of second \$1M spent).

### **STORMWATER ASSET MANAGEMENT PLAN**

#### **1. Project Initiation, Administration and Oversight (Throughout Project):**

Under this task, HRC will provide oversight of the entire program to assure that the program is being completed on time, on budget, and in accordance with all grant requirements. This task will include kickoff and stakeholder meetings to establish the framework and goals for the SW AMP. This task will also include assisting with disbursement requests, preparing reports and presentations, and assisting City staff throughout the SAW process.

#### **2. Asset Inventory and Data Collection**

While the City already has a robust sanitary GIS, the storm GIS is not fully developed. Therefore, the SAW money will be used to continue to develop this system and determine information so that the system can be properly operated and maintained moving forward. The tasks associated with this item include:

- Review the City of Troy's storm sewer GIS data received at the kickoff meeting.
- Propose recommendations to enhance the GIS database to incorporate the requirements of the SAW grant. It is anticipated that we will add fields to the GIS for:
  - Inspection Date
  - Condition
  - Criticality
  - Business Risk Evaluation ("BRE")

These last three fields are the primary requirement of the MDEQ for determining the asset value and are discussed in further detail in the “Condition Assessment” and “Assessment of Asset Criticality and Risk” sections of the grant application. We would also like to have a detailed review of each data field and verify the appropriate valid values to use in each field. As an example, in the “Drain\_Gravity\_Closed” feature class, there are three ID fields shown; AssetID, UnitID and UnitID2. If all three ID’s are needed for the City’s work order/ asset management software, that will be coordinated with the City as to the appropriate method for populating these fields.

- Review the City’s storm sewer plans for as-built information. HRC will determine if any plans are available from recent major mile road paving or utility projects. We would like to minimize disruption in the major road network of the City for the purpose of manhole locations.
- Organize field data collection/GPS crews to locate and collect limited asset condition information on the storm sewer system. It is anticipated that we will use up to 3-4 two-person crews concurrently with full-time office staff for downloading and processing data. We are basing our workload and budget estimates on the City staff being able to provide traffic control while work is being done in high traffic areas. The data collecting equipment will be purchased by the City. Input from the City surveyor will be used to review and select equipment in order to be sure that it meets future surveying needs.

The estimated number of storm sewer structure to GPS and inspect, based on the counts in the GIS, are:

8,500	Manholes
20,440	Inlets
2,163	Outfalls
77	Control Structures
228	Detention/Retention Ponds
10	Lift Stations

These numbers can be reduced based on the availability of plans with accurate elevations. It is our understanding that the City’s main goal for this task is to develop X, Y, and Z coordinates for the storm sewer system and also collect invert information on all storm sewer structures. While the structures are open to collect drops, photos will be taken of the inside of the structure, and that will be used to provide an overall condition. MACP condition assessment will be done on select structures.

- Develop the necessary electronic data collection forms to be used with either GPS or tablet style data collectors. Based upon the discussion at the Kickoff Meeting, the desired level of accuracy for the GPS was 0.1 foot for vertical “Z” elevations.
- Process the GPS/field data collected and load into the GIS for quality control and inclusion into the Geodatabase.
- Draw any additional structures and pipes located during the course of the field data collection. Pipes will be drawn in such a manner as to indicate their direction of flow.
- Populate the City’s Geodatabase with the attributes from the field data collection. This will include the new fields mentioned in task 2 above and the current

existing fields. As an example, for the “Drain\_Gravity\_Closed” feature class, fields to be updated will include AssetID, Last Edit Date, Last Update User, Placement Method, Asset Owner, Lifecycle Status, In Service Date, Upstream Invert, Downstream Invert, Drain Gravity Subtype, Material & Pipe Class, Cross Section Shape, Height, Width, Slope, Drain Name, additional ID’s as needed.

- Provide hardcopy and/or electronic maps and reports for quality control and status reports to the City Engineering and GIS staff on a regular monthly basis.

### 3. Condition Assessment

As noted above, the primary goal of the City is to map their storm sewer system, as limited records are currently available. However, the City will also perform limited condition assessment on the storm sewer system to get a representative idea of the condition of the system which can be extrapolated to the remainder of the system. We will complete the following tasks.

- Assist the City in contracting with a company to clean and televise sewer pipes and provide PACP ratings on a select number of pipes.
- Review the video and reports as provided by contractor for accuracy.
- Review existing videos that the City has and rate the pipes using the PACP system.
- Assess 8 of the 10 pump stations. Newer stations will not be included.
- Rate the major components of the storm sewer collection system, including extrapolating data for any assets that were not physically inspected.

### 4. Develop Level of Service Documentation

- Determine the desired level of service
- Meet with City staff to discuss the level of service
  - Present the various levels of service available and the costs associated with them.
- List State and Federal Requirements to be met for the system
  - Permit requirements
  - State SSO policy
- Prepare a brief summary of findings
- Prepare a “Level of Service Agreement” that outlines the system’s performance targets and goals.
- Attend a public meeting to present the study.

### 5. Assessment of Asset Criticality and Risk

- Develop a risk assessment method based on quantitative and qualitative values associated with components (i.e. location of asset, service area, cost of repair, etc.)
- Rate each major component as to the risk of failure, or criticality (1-5)
- Review the failure history, and estimate the probability of failure (1-5)
- Determine remaining life and replacement value of assets.
- Perform the Business Risk Evaluation (BRE) by multiplying the probability of failure (condition) and the criticality rating (risk.)

- Create a priority list of the most critical system assets.

#### 6. Investment Prioritization and Future Planning

Using the results of the Business Risk Evaluation, the short and long-term investment required to achieve the desired level of service will be determined and prioritized.

- Review the current O&M plan and develop alternate strategies to extend useful life.
- Determine rehabilitation, repair and replacement costs. Determine replacement needs and prioritize future maintenance/capital improvements.

#### 7. Long Term Funding Plan

Work with the client and financial department to evaluate the impact of future liabilities/improvements on the capital project fund. Consideration should be given to funding major projects with a combination of cash, grant funding and bond financing under a variety of bond interest and payback scenarios. The cost analysis will include the operation, maintenance and long term capital improvements of the storm sewer system. Major components of this task include:

- Developing a 20-year capital improvement plan
- Prepare a report summarizing the findings, including any funding needs to meet estimated expenses
- Present the findings to the City Council and staff.

The Consultant will assist the client's financial department by providing costs to help to determine the funding requirements.

#### 8. Submission to MDEQ and Follow Up

The SAW grant requires a Certificate of Completeness be submitted to the MDEQ in order to close out the grant (see attached.) It requires that a summary of the SW AMP that identifies major assets be developed and made available to the MDEQ and public via a website for a minimum of 15 years.

- Develop document summarizing the AMP for submission to MDEQ and posting on the City's website that includes identification of major assets, while ensuring that information is presented in such a way that vulnerability of critical assets is minimized.
- Submit required Certificate of Completion and address any MDEQ comments or questions.
- Turn over completed GIS database, reports, any hardware or software purchased, and other required deliverables to the client.

HRC proposes to complete the tasks as outlined above for the storm sewer system at a total cost of \$944,267 as outlined in the original SAW grant application and shown on the attached table. In addition, \$51,222 will be spent on a televising contractor to assess the condition of a portion of the storm sewer. It should be noted that an estimate was made for

Mr. Timothy Richnak  
November 17, 2014  
HRC Job Number 20140465  
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force account work of \$226,657 with the assumption that City would be participating and assisting in several tasks. Please note that if City staff time is not available for this project, additional consultant time may be included to bring the total project cost to \$1,222,146 as awarded by the grant. Similarly, if additional staff time is available to assist with this work, HRC's costs will go down and the City's portion of the project will increase. All expenses will be reimbursed approximately 83% (90% of first \$1M spent and 75% of second \$1M spent).

If you have any questions or require any additional information, please contact the undersigned.

Very truly yours,

HUBBELL, ROTH & CLARK, INC.



Walter Alix, P.E., P.S.  
Vice President



Michael MacDonald, P.E.  
Associate

KS

Attachment

pc: HRC; J. Miller, K. Stickel, File



**Department of Environmental Quality  
SAW Grant  
Wastewater Asset Management Plan  
Certification of Project Completeness**

**Completion Date** \_\_\_\_\_  
(no later than 3 years from executed grant date)

The \_\_\_\_\_ (*legal name of grantee*) certifies that all wastewater asset management plan (AMP) activities specified in SAW Grant No. \_\_\_\_\_ have been completed and the implementation requirements, per Part 52 of the Natural Resources and Environmental Protection Act, 1994, PA 451, as amended, are being met. Section 5204e(3) requires implementation of the AMP and that significant progress toward achieving the funding structure necessary to implement the AMP be made within 3 years of the executed grant. The Department of Environmental Quality (DEQ) defines significant progress to mean the adoption of an initial rate increase to meet a minimum of 10 percent of any gap in revenue needed to meet expenses, as identified in a 5-year plan to eliminate the gap. A copy of the 5-year plan to eliminate the gap must be submitted with this certification.

Attached to this certification is a summary of the AMP that identifies major assets. Copies of the AMP and/or other materials prepared through SAW Grant funding will be made available to the DEQ or the public upon request by contacting:

\_\_\_\_\_ at \_\_\_\_\_  
Name Phone Number Email

Rate Methodology was submitted to DEQ on: \_\_\_\_\_  
(within 2 ½ years from date of executed grant)

An initial rate increase of \_\_\_\_\_% of a \$\_\_\_\_\_ gap was adopted on \_\_\_\_\_

\_\_\_\_\_  
Signature of Authorized Representative (Original Signature Required) Date

\_\_\_\_\_  
Print Name and Title of Authorized Representative



**Department of Environmental Quality  
SAW Grant  
Stormwater Asset Management Plan  
Certification of Project Completeness**

**Completion Due Date** \_\_\_\_\_  
(no later than 3 years from executed grant date)

The \_\_\_\_\_ (*legal name of grantee*) certifies that all stormwater asset management plan (SWAMP) activities specified in SAW Grant No. \_\_\_\_\_ have been completed and the SWAMP, prepared with the assistance of SAW Grant funding, is being maintained. Part 52 of the Natural Resources and Environmental Protection Act, 1994, PA 451, as amended, requires implementation of the SWAMP within 3 years of the executed grant (Section 5204e(3)).

Attached to this certification is a summary of the SWAMP that identifies major assets. Copies of the SWAMP and/or other materials prepared through SAW Grant funding will be made available to the Department of Environmental Quality or the public upon request by contacting:

\_\_\_\_\_ at \_\_\_\_\_  
Name Phone Number Email

\_\_\_\_\_  
Signature of Authorized Representative (Original Signature Required) Date

\_\_\_\_\_  
Print Name and Title of Authorized Representative



CITY OF TROY SAW  
STORM SEWER AMP FORCE ACCOUNT BREAKDOWN

Classification	City Hours											Force Account Costs	Consultant Costs	Total Costs	
	Superintendent of Water & Sewer*	Supervisor of Water & Sewer**	MSE - G*	MSE - F*	MSE - D*	MSE - C*	GIS Administrator	GIS Analyst	Director of Financial Services	Accountant	Vector Truck				Sewer Video Camera
Inventory	\$40.24	\$31.40	\$26.11	\$25.30	\$24.49	\$24.17	\$37.33	\$28.54	\$63.60	\$25.00			\$142,091	\$633,833	\$775,924
Condition assessment (excluding televising)	\$16.10	\$12.56	\$10.44	\$10.12	\$9.80	\$9.67	\$14.93	\$11.42	\$25.44	\$10.00			\$27,374	\$97,625	\$125,000
AM/GIS Software*	\$56.34	\$43.96	\$36.55	\$35.42	\$34.29	\$33.84	\$52.26	\$39.96	\$89.04	\$35.00			\$0	\$47,500	\$47,500
AM/GIS Training*													\$0	\$1,503	\$10,000
AM/GIS Hardware*													\$0	\$22,500	\$22,500
Cleaning & Televising															
Contracted costs															
Equip. rental costs															
Labor costs															
Level of Service															
Service agreement development															
Public meeting cost															
Training/certification															
For PACP				25	75	75									
For MACP				50	75	75									
Rate Structure Development costs															
Other	40	40							80	40			\$10,580	\$2,465	\$15,000
	40	40	40	40			40	40					\$10,580	\$99,420	\$110,000
													\$226,657	\$995,489	\$1,222,146

Notes:  
\* Actual Rates plus Fringe  
\*\* Fringe Rates capped at 40%

Scope of Services  
 Superintendent of Water & Sewer - Project Oversight, review of all documentation, meeting attendance, grant administration, assistance and input with engineering assessment, public involvement, level of service review  
 Supervisor of Water & Sewer - Project Oversight, meeting attendance, assistance and input with engineering assessment, field assistance, public involvement, level of service review  
 MSE G - Oversight on condition assessment, level of service, training  
 MSE F - Assistance with condition assessment, training  
 MSE D - Assistance with condition assessment, training  
 MSE C - Assistance with condition assessment, training  
 GIS Administrator - Oversight on GIS, assistance with development of GIS  
 GIS Analyst - Assistance with development of GIS, research for record information  
 Director of Financial Services - Rate structure development costs and level of service  
 Accountant - Rate structure development  
 City Vector Truck - For Sewer Cleaning with a Rental Rate of \$81.03/hour per State rental rate guidelines  
 City Sewer Televising Camera - For Sewer Televising with a Rental Rate of \$70.23/hour per State rental rate guidelines



## CITY COUNCIL ACTION REPORT

Date November 18, 2013

TO: Brian Kischnick, City Manager

FROM: Timothy L. Richnak, Public Works Director  
Steve Vandette, City Engineer

SUBJECT: Authorization to Request Reimbursement – MDEQ SAW Grant

### **History**

The Michigan Department of Environmental Quality (MDEQ) has released a Stormwater Asset Management (SAW) grant opportunity to local governments. The grant is intended to assist local governments in managing storm and wastewater. The MDEQ has appropriated \$450 million dollars for these projects and allows local governments to apply for an amount not to exceed \$2 million. The first \$1 million requires the local government to match 10% of the funding and the second \$1 million requires a 25% local match. The project and matching funds must be completed within three years of the grant award.

The Streets and Drains Division's application will include developing an asset management system that records the size and flow direction of the city's 700 miles of stormwater drains. The Water and Sewer Division's application will include an asset management plan that references video of the sewer to its GPS coordinates. Both these tasks take equipment and labor, which are eligible expenses. The city's engineering consultant firm Hubbell, Roth & Clark, Inc (HRC) is familiar with the SAW grant process and will be the engineer for these projects.

### **Policy Considerations:**

Maintaining accurate infrastructure records allows the city to prepare for capital repair projects and allows the city to plan maintenance to the infrastructure effectively.

### **Options:**

City Management recommends moving forward with the MDEQ SAW Grant application to the full \$2 million, which will require the city to have a total local match of \$444,444.44 with a total funding assemblage of \$2,444,444.44. The local match is budgeted in both the Streets and Drains, and Water and Sewer Divisions over the next three years.



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



DAN WYANT  
DIRECTOR

June 17, 2014

Mr. Brian Kischnick, City Manager  
City of Troy  
500 West Big Beaver Road  
Troy, Michigan 48084

Dear Mr. Kischnick:

**SUBJECT:** Stormwater, Asset Management, and Wastewater (SAW) Grant Program  
City of Troy  
Wastewater and Stormwater Asset Management Plans  
SAW Grant Project Number 1097-01

Congratulations on your award of a SAW Grant for the above-referenced project. Enclosed is one original signed copy of your SAW Grant Agreement. Also, enclosed is a copy of the SAW Grant Disbursement Request (DR) form and Disbursement Instructions.

You may immediately request a disbursement for any previously-incurred eligible costs (since January 2, 2013). The first and final DR must be submitted by mail and signed by the authorized representative (subsequent DRs can be emailed to me or faxed to our office at 517-373-4797). Each DR must be accompanied by complete supporting documentation (invoices or proof of payment) of incurred costs. DRs can be submitted at any time, but only one per calendar month will be processed. DRs will be processed and paid on or after the 15<sup>th</sup> day of each month. Each DR must also include a brief status report on the SAW Grant activities completed to date.

The approved budget period for your grant-funded activities closes at the end of April 2017. Project scope or end date changes need Department of Environmental Quality (DEQ) approval in advance.

**Your SAW Grant requires the following "deliverable" be provided to the DEQ within 3 years of your grant agreement date: Certifications of Project Completeness.**

Work with Water Resources Division (WRD) staff to prepare your stormwater management plans, asset management plans, and innovative technology projects. Again, congratulations on your SAW Grant award. I appreciate your interest in improving water quality in your community. Should you have any questions, please contact me at the phone number listed below, e-mail at [ferrisj6@michigan.gov](mailto:ferrisj6@michigan.gov), or by mail at DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741.

Sincerely,

Jessica Ferris, Project Manager  
Revolving Loan Section  
Office of Drinking Water and Municipal Assistance  
517-284-5405

Enclosures

Mr. Brian Kischnick

Page 2

June 17, 2014

cc: Mr. Michael McDonald, Hubbell Roth & Clark, Bloomfield Hills  
Mr. Joe Fielek, Department of Treasury, MFA  
Mr. Alan J. Lambert, Assistant Attorney General, Office of the Attorney General  
Mr. Dan Beauchamp, DEQ-WRD, Southeast Michigan District Office  
Ms. Debbie Martinson, DEQ-ODWMA



# Michigan Finance Authority

## Stormwater, Asset Management, and Wastewater (SAW) GRANT AGREEMENT

This Grant Agreement ("Agreement") is made as of May 8, 2014, among the Michigan Department of Environmental Quality, Office of Drinking Water and Municipal Assistance (the "DEQ"), the Michigan Finance Authority (the "Authority") (the DEQ and the Authority are, collectively, the "State") and the City of Troy, County of Oakland ("Grantee") in consideration for providing grant assistance to the Grantee.

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide grant assistance pursuant to the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Legislative appropriation of funds for grant disclosure is set forth in 2013 Public Act 59.

**The Grantee shall be required to repay the grant made under this Agreement (the "Grant"), within 90 days of being informed by the State to do so, under certain conditions, as set forth in Section XVIII.  
Program Specific Requirements: SAW Grant.**

Award of a Grant under this Agreement and completion of the activities identified in Exhibit A does not guarantee loan assistance from the State Revolving Fund, Strategic Water Quality Initiatives Fund, or Stormwater, Asset Management or Wastewater.

### GRANTEE INFORMATION:

Brian Kischnick, City Manager  
Name/Title of Authorized Representative  
500 W. Big Beaver Rd.  
Address  
Troy, MI 48084  
Address  
(248) 524-3330  
Telephone number  
b.kischnick@troymi.gov  
E-mail address

### GRANT INFORMATION:

Project Name: Wastewater and Stormwater Asset Management Plans  
Project #: 1097-01  
Amount of Grant: \$1,999,943.00  
Amount of Match: \$444,425.00  
Project Total: \$2,444,368.00 (grant plus match)  
Start Date: 1/2013 End Date: 4/2017

### DEQ REPRESENTATIVE:

Sonya T. Butler, Chief  
Name/Title  
525 West Allegan St., PO Box 30473  
Address  
Lansing, MI 48909-7973  
Address  
(517) 373-2161  
Telephone number  
Butlers2@michigan.gov  
E-mail address

### AUTHORITY REPRESENTATIVE:

Joseph L. Fielek, Executive Director, MFA  
Name/Title  
430 W. Allegan St., Austin Building  
Address  
Lansing, MI 48922  
Address  
(517) 335-0994  
Telephone number  
treas\_bondfinance@michigan.gov  
E-mail address

The individuals signing below certify by their signatures that they are authorized to sign this Grant Agreement on behalf of their respective parties, and that the parties will fulfill the terms of this Agreement, including the attached Exhibit A, and use this Grant only as set forth in this Agreement.

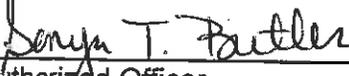
GRANTEE

  
\_\_\_\_\_  
Signature of Grantee

May 8, 2014  
Date

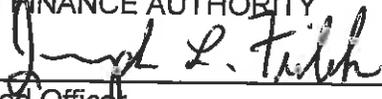
Brian Kischnick, City Manager  
Name and title (typed or printed)

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

  
\_\_\_\_\_  
Its Authorized Officer

May 8, 2014  
Date

MICHIGAN FINANCE AUTHORITY

  
\_\_\_\_\_  
Its Authorized Officer

May 8, 2014  
Date

### I. PROJECT SCOPE

This Agreement shall be in addition to any other contractual undertaking by the Grantee contained in the Resolution authorizing the Grant (the "Resolution").

This Agreement, including its exhibit(s), constitutes the entire agreement between the DEQ, the Authority, and the Grantee.

(A) The scope of this Grant is limited to the activities specified in Exhibit A (the "Project"), and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the Project identified in Exhibit A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

### II. AGREEMENT PERIOD

This Agreement shall take effect on the date that it has been signed by all parties (the "Effective Date"). The Grantee shall complete the Project in accordance with all the terms and conditions specified in this Agreement no later than the End Date shown on page one. **Only costs incurred on or after January 2, 2013 and between the Start Date and the End Date shall be eligible for payment under this Grant.**

### III. CHANGES

Any decreases in the amount of the Grantee's compensation, significant changes to the Project, or extension of the End Date, shall be requested by the Grantee in writing, and approved in writing by the State in advance. The State reserves the right to deny requests for changes to the Agreement including its Exhibit A. No changes can be implemented without approval by the State.

#### **IV. GRANTEE PAYMENTS AND REPORTING REQUIREMENTS**

The Grantee shall meet the reporting requirements specified in Section XVIII of this Agreement.

#### **V. GRANTEE RESPONSIBILITIES**

(A) The Grantee agrees to abide by all local, state, and federal laws, rules, ordinances and regulations in the performance of this Grant.

(B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this Grant is not a guarantee of permit approval by the state.

(C) The Grantee shall be solely responsible to pay all taxes, if any, that arise from the Grantee's receipt of this Grant.

(D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services furnished by its subcontractors under this Agreement. The State will consider the Grantee to be the sole point of contact concerning contractual matters, including payment resulting from this Grant. The Grantee or its subcontractor shall, without additional grant award, correct or revise any errors, omissions, or other deficiencies in designs, drawings, specifications, reports, or other services.

(E) The DEQ's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The DEQ's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

(F) The Grantee acknowledges that it is a crime to knowingly and willfully file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the Grant.

#### **VI. ASSIGNABILITY**

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

#### **VII. NON-DISCRIMINATION**

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

### **VIII. UNFAIR LABOR PRACTICES**

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL423.321 *et seq.*

### **IX. LIABILITY**

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, any subcontractor, or anyone employed by the Grantee.

(B) All liability as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this Agreement is the responsibility of the State and not the responsibility of the Grantee if the liability is materially caused by any State employee or agent.

(C) In the event that liability arises as a result of activities conducted jointly by the Grantee and the State in fulfillment of their responsibilities under this Agreement, such liability is held by the Grantee and the State in relation to each party's responsibilities under these joint activities.

(D) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

### **X. CONFLICT OF INTEREST**

No government employee or member of the legislative, judicial, or executive branches or member of the Grantee's governing body, its employees, partner, agencies or their families shall have benefit financially from any part of this Agreement.

### **XI. AUDIT AND ACCESS TO RECORDS**

See Section XVIII (C).

### **XII. INSURANCE**

(A) The Grantee shall maintain insurance or self insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement or from the actions of others for whom the Grantee may be held liable.

(B) The Grantee must comply with applicant workers' compensation laws while engaging in activities authorized under this Agreement.

### **XIII. OTHER SOURCES OF FUNDING**

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement shall not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings or to immediately refund to the State, the total amount representing such duplication of funding.

### **XIV. COMPENSATION**

(A) A breakdown of Project costs covered under this Agreement is identified in Exhibit A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Exhibit A, and only for expenses incurred. All other costs over and above the Grant amount, necessary to complete the Project, are the sole responsibility of the Grantee.

(B) The Grantee is committed to the match amount on page one of this Agreement, in accordance with Exhibit A. The Grantee shall expend all local match committed to the Project by the End Date of this Agreement.

(C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.

(D) The State reserves the right to request additional information necessary to substantiate payment requests.

#### **XV. CLOSEOUT**

(A) A determination of Project completion shall be made by the DEQ after the Grantee has met any match obligations and satisfactorily completed the activities and provided products and deliverables described in Exhibit A.

(B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.

(C) The Grantee shall immediately refund to the State any payments or funds in excess of the costs allowed by this Agreement.

#### **XVI. CANCELLATION**

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, or other lack of funding upon request by Grantee or upon mutual agreement by the State and Grantee. The State reserves the right to provide just and equitable compensation to the Grantee for all satisfactory work completed under this Agreement.

#### **XVII. TERMINATION**

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Grantee:

(1) If the Grantee fails to comply with the terms and conditions of the Agreement or with the requirements of the authorizing legislation cited on page 1 or the rules promulgated thereunder, or with other applicable law or rules.

(2) If the Grantee knowingly and willfully presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.

(3) If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.

(4) During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs 1 through 3, above.

(5) If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.

(B) The State may immediately terminate this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any subagreement, is:

(1) Convicted of a criminal offense incident to the application for or performance of a state, public, or private contract or subcontract;

(2) Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;

(3) Convicted under state or federal antitrust statutes;

(4) Convicted of any other criminal offense which, in the sole discretion of the State, reflects on the Grantee's business integrity; or

(C) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

### **XVIII. PROGRAM-SPECIFIC REQUIREMENTS: SAW REPAYABLE GRANT**

(A) General Representations. The Grantee represents and warrants to, and agrees with, the Authority and DEQ, as of the date hereof as follows:

(1) Grant funds shall be expended only to cover costs for the development of an Asset Management Plan, Stormwater Management Plan, innovative wastewater or stormwater technology, construction costs for disadvantaged communities, or for planning, design and user charge development.

(2) Grant funds used for administrative activities or activities performed by municipal employees shall be limited to work that is directly related to the Project and is conducted by employees of the Grantee.

(3) The Grantee has full legal right, power and authority to execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Resolution, and any and all other agreements relating thereto. The Grantee has duly authorized and approved the execution and delivery of this Agreement, the performance by the Grantee of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(4) The Resolution has been duly adopted by the Grantee, acting through its executive(s) or governing body, is in full force and effect as of the date hereof, and is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(5) The execution and delivery of this Agreement by the Grantee, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Grantee a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Grantee is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Grant, or result in a default or lien on any assets of the Grantee. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Grantee under the Resolution or this Agreement.

(6) No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Grantee of the Resolution, or execution and delivery by the Grantee of this Agreement which has not already been obtained,

nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

(7) Proceeds of the Grant will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution and Exhibit A or (ii) to reimburse the Grantee for a portion of the cost of the Project. The Grantee will expend the proceeds of each disbursement of the Grant for the governmental purpose for which the Grant was issued.

(8) The attached Exhibit A contains a summary of the estimated cost of the Project, which the Grantee certifies is a reasonable and accurate estimate.

(9) The Grantee reasonably expects (i) to fulfill all conditions set forth in this Agreement to receive and to keep the Grant, and (ii) that no event will occur as set forth in this Agreement which will require the Grantee to repay the Grant.

(B) Repayment of Grant. The Grantee shall repay the Grant, within 90 days of being informed to do so, with interest calculated from the date Grant funds are first drawn at a rate not to exceed 8% per year, to be determined by the Authority, to the Authority for deposit into the SWQIF.

"(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided."

SAW grant recipients for wastewater system asset management plans are required to make significant progress on the funding structure. Significant progress is defined as a 5-year plan to eliminate the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years. Asset management plans for stormwater systems are to be implemented. Stormwater management grant recipients must develop a stormwater management plan. Innovative project grant recipients must proceed with full implementation or certify that the project is not financially or technically feasible.

(C) Covenants and Certifications.

(1) The Grantee has the legal, managerial, institutional, and financial capability to plan, design, and build the Project, or cause the Project to be built, and cause all facilities eventually constructed to be adequately operated.

(2) The Grantee certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Grantee's ability to make timely repayments of the grant if any of the two (2) conditions identified under Section XVIII(B) occur.

(3) The Grantee agrees to provide the minimum appropriate local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.

(4) The Grantee agrees to maintain complete books and records relating to the grant and financial affairs of the Project in accordance with generally accepted accounting principles ("GAAP") and generally accepted government auditing standards ("GAGAS").

(5) The Grantee agrees that all municipal contracts related to the Project will provide that the contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.

(6) The Grantee agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the Project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners or agents with which the applicant negotiates an agreement.

(7) The Grantee agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years after satisfactory completion of the Project and final payment. If litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.

(8) The Grantee agrees to ensure that planning and design activities of the Project are conducted in compliance with the requirements of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, its Administrative Rules; and all applicable state and federal laws, executive orders, regulations, policies, and procedures.

(9) The Grantee agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to satisfy the program requirements as identified under Section XVIII(B) within three years of award of the SAW Grant from the Strategic Water Quality Initiatives Fund in accordance with Section 5204(e) of the Natural Resources and Environmental Protection Act 1994, PA 451, as amended.

(10) The Grantee acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

#### (D) Grantee Reimbursements and Deliverables

The Grantee may request grant disbursements no more frequently than monthly, using the Disbursement Request Form provided by the DEQ. Upon receipt of a disbursement request, the DEQ will notify the Authority, which will in turn disburse grant funds equal to 75 percent, 90 percent, or 100 percent of eligible costs, whichever percentage is applicable, that have been adequately documented. The forms provided by the State will include instructions on their use and shall be submitted to the DEQ representative at the address on page 1. All required supporting documentation (invoices) for expenses must be included with the disbursement request form. The Grantee is responsible for the final submittal of all documents prepared under this Grant and included in the Project Scope identified in Exhibit A.

#### (E) Miscellaneous Provisions.

(1) Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan.

(2) Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

(3) Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

### **XIX. USE OF MATERIAL**

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the DEQ funded all or a portion of its development.

## **XX. SUBCONTRACTS**

The State reserves the right to deny the use of any consultant, contractor, associate or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

## **XXI. ANTI-LOBBYING**

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

## **XXII. IRAN SANCTIONS ACT**

By signing this Agreement, the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses as outlined in Michigan Compiled Law 129.312

## **XXIII. DEBARMENT AND SUSPENSION**

By signing this Agreement, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a 3-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

**SAW Grant Program**

**Exhibit A**

Grantee: City of Troy

Project Name: Wastewater and Stormwater Asset Management Plans

DEQ Approved Grant Amount: \$1,999,943 (One Million Nine Hundred Ninety-nine Thousand Nine Hundred Forty-three Dollars)

Time Period for Eligible Costs: Start Date January 2013

End Date April 2017

Description of Approved Project Scope:

Preparation of wastewater and stormwater asset management plans.

<b>DEQ Approved Project Costs</b>	
1. Project Planning Costs	\$0
2. Design Engineering Costs	\$0
3. User Charge System Development Costs	\$0
4. Wastewater Asset Management Plan Costs	\$1,222,222
5. Stormwater Asset Management Plan Costs	\$1,222,146
6. Stormwater Management Plan Costs	\$0
7. Innovative Wastewater and Stormwater Technology Costs	\$0
8. Disadvantaged Community Construction Costs	\$0
9. Eligible Cost Subtotal	\$2,444,368
10. LESS Local Match (if applicable)	\$444,425
11. Requested SAW Grant Amount (Line 9 minus Line 10)	\$1,999,943