



CITY COUNCIL AGENDA ITEM

Date: June 1, 2015

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

Subject: Private Agreement – Contract for Installation of Municipal Improvements
Somerton Sanitary Sewer Extension - Project No. 15.404.3

History

Sterling Construction Inc. proposes to extend a sanitary sewer along Long Lake and Somerton to service two new homes located on Somerton north of Long Lake.

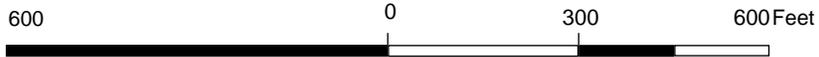
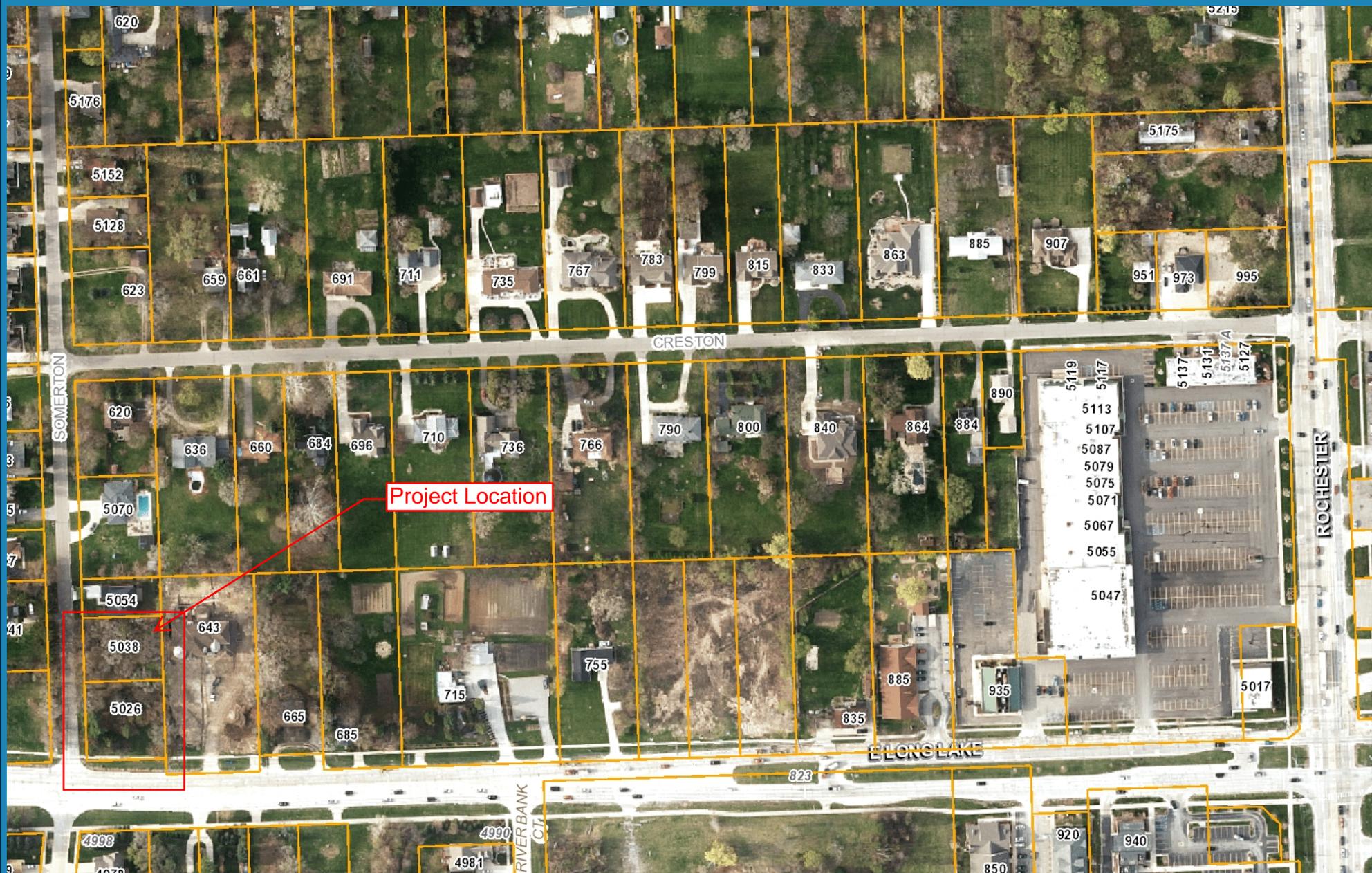
Site grading and utility plans for this development were reviewed and recently approved by the Engineering Department. The plans include municipal improvements which will be constructed by Sterling Construction Inc. on behalf of the City of Troy; including sanitary sewer, storm sewer and sidewalk. The required fees and refundable escrow deposits in the form of Performance Bond and 10% Cash, that will assure completion of the municipal improvements, have been provided by Sterling Construction Inc. (see attached Private Agreement).

Financial

See attached summary of required deposits and fees for this Private Agreement.

Recommendation

Approval of the Contract for Installation of Municipal Improvements (Private Agreement) is recommended.



Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

City Of Troy

Contract for Installation of Municipal Improvements (Private Agreement)

Project No.: **15.404.3**

Project Location: **SE 1/4 Section 10**

Resolution No: _____

Date of Council Approval: _____

This Contract, made and entered into this **8th** day of **June**, **2015** by and between the City of Troy, a Michigan Municipal Corporation of the County of Oakland, Michigan, hereinafter referred to as "City" and **Sterling Construction Inc.** whose address is **1612 Muer Dr., Troy, MI 48084** and whose telephone number is **248-890-8421** hereinafter referred to as "Owners", provides as follows:

FIRST: That the City agrees to permit the installation of **sanitary sewer, storm sewer and sidewalk** in accordance with plans prepared by **Horizon Engineering LLC** whose address is **PO Box 182158, Shelby Twp., MI 48318** and whose telephone number is **586-453-8097** and approved prior to construction by the City in accordance with City of Troy specifications.

SECOND: That the Owners agree to provide the following securities to the City prior to the start of construction, in accordance with the Detailed Summary of Required Deposits & Fees (attached hereto and incorporated herein):

Refundable escrow deposit equal to the estimated construction cost of \$ **36,420.00**. This amount will be deposited with the City in the form of (check one):

Cash/Check	<input type="checkbox"/>	} 10% Cash	\$3,642.00
Certificate of Deposit & 10% Cash	<input type="checkbox"/>		
Irrevocable Bank Letter of Credit & 10% Cash	<input type="checkbox"/>		
Performance Bond & 10% Cash	<input checked="" type="checkbox"/>		

Refundable cash deposit in the amount of \$ **9,142.00**. This amount will be deposited with the City in the form of (check one):

Cash	<input type="checkbox"/>	Check	<input checked="" type="checkbox"/>
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Non-refundable cash fees in the amount of \$ **3,727.00**. This amount will be paid to the City in the form of (check one):

Cash	<input type="checkbox"/>	Check	<input checked="" type="checkbox"/>
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Said refundable escrow deposits shall be disbursed to the Owners after approval by the City. The City reserves the right to retain a minimum of ten (10) percent for each escrowed item until the entire site/development has received final inspection and final approval by all City departments. Refundable cash deposits shall be held until final approval has been issued. Disbursements shall be made by the City within a reasonable time, after request for refund of deposits is made by the Owners.

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Contract for Installation of Municipal Improvements (Private Agreement)

THIRD: The owners shall contract for construction of said improvement with a qualified contractor. Owners, or their agents, and contractor(s) agree to arrange for a pre-construction meeting with the City Engineer prior to start of work. All municipal improvements must be completely staked in the field under the direct supervision of a registered civil engineer or registered land surveyor, in accordance with the approved plans. Revisions to approved plans required by unexpected or unknown conflicts in the field shall be made as directed by the City.

FOURTH: Owners agree that if, for any reason, the total cost of completion of such improvements shall exceed the sums detailed in Paragraph SECOND hereof, that Owners will immediately, upon notification by the City, remit such additional amounts in accordance with Paragraph SECOND hereof. In the event the total cost of completion shall be less than the sums as detailed in Paragraph SECOND hereof, City will refund to the Owners the excess funds remaining after disbursement of funds.

FIFTH: Owners agree to indemnify and save harmless City, their agents and employees, from and against all loss or expense (including costs and attorneys' fees) by reason of liability imposed by law upon the City, its agents and employees for damages because of bodily injury, including death, at any time resulting therefrom sustained by any person or persons or on account of damage to property, including work, provided such injury to persons or damage to property is due or claimed to be due to negligence of the Owner, his contractor, or subcontractors, employees or agents, Owner further agrees to obtain and convey to the City all necessary easements and/or right-of-way for such public utilities as required by the City Engineer.

City Of Troy

**Contract for Installation of Municipal Improvements
(Private Agreement)**

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed in duplicate on this _____ day of _____, 20_____.

OWNERS

CITY OF TROY

By: STERLING CONSTRUCTION, INC

By:

Dane Slater (President)

Please Print or Type

Dane M. Slater, Mayor

Please Print or Type

M. Aileen Dickson, City Clerk

STATE OF MICHIGAN, COUNTY OF OAKLAND

On this 28th day of May, A.D. 2015, before me personally appeared Safet Stafa known by me to be the same person(s) who executed this instrument and who acknowledged this to be his/her/their free act and deed.

Larysa Figol
NOTARY PUBLIC, Oakland County, Michigan

LARYSA FIGOL
Notary Public, Oakland County, Michigan
Acting in Oakland County, Michigan
My Commission Expires 03/02/2018

My commission expires: _____

Detailed Summary of Required Deposits & Fees
Somerton Sewer Extension
15.404.3

ESCROW DEPOSITS (PUBLIC):

Sanitary Sewers	\$18,580
Water Mains	\$0
Paving	\$0
Sidewalks	\$10,800
Deceleration and/or Passing Lane - MAJOR ROAD	\$0
Major Road Improvements (other than decel or passing lanes)	\$0
Storm Sewers	\$7,040
TOTAL ESCROW DEPOSITS (Refundable):	<u>\$36,420</u>

CASH FEES (Non-Refundable):

Engineering Review Fee (Private Improvements)(PA1)	\$81
Water Main Testing and Chlorination (PA 2)	\$0
Plan Review and Construction Inspection Fee (Public Improvements) (PA1)	\$2,950
Soil Erosion/Sedimentation Control Commercial Permit Fee (SUB 10)	\$400
Soil Erosion/Sedimentation Control Commercial Inspection Fee (SUB 10)	\$500
Less Initial Engineering Review Fee (Public & Private)(1.1%)	-\$204
TOTAL CASH FEES (Non-Refundable):	<u>\$3,727</u>

CASH DEPOSITS (Refundable):

Street Cleaning/Road Maintenance	\$5,000
Soil Erosion/Sedimentation Control Repair, Replace, or Maintenance	\$500
Punchlist & Restoration	\$3,642
TOTAL CASH DEPOSITS (Refundable):	<u>\$9,142</u>

Total Escrow & Cash Deposits (Refundable): **\$45,562**

Total Cash Fees (Non-Refundable): **\$3,727**

Total Amount: **\$49,289**