



CITY COUNCIL ACTION REPORT

August 28, 2015

TO: Brian Kischnick, City Manager

FROM: Tom Darling, Director of Financial Services
Mark Miller, Director of Economic and Community Development
Tim Richnak, Public Works Director
Steven J. Vandette, City Engineer

SUBJECT: Revised Exhibit B and Budget Amendment
Evergreen Farmington Sewage Disposal System
North Evergreen Interceptor (NEI) Wattles Road Storage Contract

History:

By Resolution #2015-04-056 dated April 20, 2015, City Council approved a contract between the County and the Municipalities relating to the construction of the Evergreen Farmington Sewage Disposal System, North Evergreen Interceptor Wattles Road Storage and NEI Hydraulic Improvement projects. A copy of the agenda item from the April 20th Council meeting is attached.

The Oakland County Water Resources Commissioner (WRC) will be administering the construction of the two (2) interceptor improvement projects that Troy is involved in, which upon their completion will be owned and maintained by the WRC.

The contracts, as approved, were based on estimated costs, as is standard with these types of agreements, since the agreements are prepared before bids are received and well before actual construction costs are known. The city's actual cost is based on the actual cost incurred by the contractors work and other costs as detailed in the Exhibit B.

The Hydraulic Improvements portion of the project bids came in under the amount shown in the Exhibit B.

The Wattles Road Storage portion of the project however came in over budget and will require the approval of a Revised Exhibit B. The original Exhibit B, based on estimated costs, was for \$4,630,000 with the Troy share of the project at 78.2% of the cost or \$3,592,508.

Based on the tabulated bids, the Revised Exhibit B is \$5,911,000 with the Troy share being \$4,594,000 or an increase of \$1,001,500.

Financial:

Bids were received and publicly read by the Water Resources Commission on August 12, 2015. The low bid of \$4,125,882.29, as submitted by Angelo Iafate Construction Co., can be seen in the attached tabulation of bids. The low bid is \$1,114,882.29 or 37% above the amount shown in the previously approved Exhibit B for the Wattles Road Storage portion of the agreement.

It should be noted that the bids submitted by the four contractors varied significantly. The low bid was over \$3.3M lower than the highest bid with a spread of approximately \$1M between each bidder. These types of bid results are becoming more common due to factors that are discussed in the "Bid Climate Review Letter" and "Contractor Update" that are attached.

The Exhibit B details the "Contracted Services" (contractor payments) as well as other costs related to Project Development; Contracted Services: Project Financing; County Services; and Contingency. These other costs are predicated on the construction cost, so they will increase accordingly if impacted by the higher construction bid amount.

Bloomfield Township's project financing fees of \$36,000 for bonds are assessed to Bloomfield Township only. Troy's share of the project's cost, excluding these financing fees, is 78.2% for the Wattles Storage and 71.4% for the NEI Hydraulic Improvements and is based on the percentage of interceptor sewer flow coming from Troy.

The total estimated cost of both projects is \$6,927,000. Troy's share of the estimated total cost is \$5,293,720 as compared to \$4,292,228 prior to the bids.

Funds for this work are available in the 2015-16 budget. The 2016 Sewer Fund will be amended to transfer additional funds in the amount of \$1,001,500 to complete the project.

Recommendation:

It is recommended that City Council approve the Revised Exhibit B for the Evergreen Farmington Sewage Disposal System North Evergreen Interceptor Wattles Road Storage contract.

City Attorney's Review as to Form and Legality

Lori Grigg Bluhm, City Attorney

Date

**North Evergreen Interceptor Program
Act 342 Exhibit B - Project Cost Estimate Summary**

Date: 8/15/2015

Original Act 342 Exhibit B - Project Cost Estimate

Community	Hydraulic Improvements	Wattles Road Storage	Stonycroft Parallel Relief	Total Amount
Bloomfield Hills	\$ 30,380		\$ 115,713	\$ 146,093
Bloomfield Township	\$ 285,900	\$ 1,037,492	\$ 1,597,287	\$ 2,920,679
Troy	\$ 699,720	\$ 3,592,508	\$ -	\$ 4,292,228
Totals	\$ 1,016,000	\$ 4,630,000	\$ 1,713,000	

Revised Act 342 Exhibit B - Project Cost Estimate

Community	Hydraulic Improvements	Wattles Road Storage	Stonycroft Parallel Relief	Total Amount	Increased Amount (1)
Bloomfield Hills	\$ 30,380		\$ 153,000	\$ 183,380	\$ 37,287
Bloomfield Township	\$ 285,900	\$ 1,317,000	\$ 2,095,000	\$ 3,697,900	\$ 777,221
Troy	\$ 699,720	\$ 4,594,000	\$ -	\$ 5,293,720	\$ 1,001,492
Totals	\$ 1,016,000	\$ 5,911,000	\$ 2,248,000		

Notes:

1. Additional costs over original Act 342 Exhibit B Project Cost Estimates.
2. The Costs have been revised to account for actual construction bids being higher than the original engineers estimate.
3. Attached is a letter describing reasons for elevated bids.

**Evergreen Farmington Sewage Disposal System
North Evergreen Interceptor
Wattles Road Linear Storage (B3)**

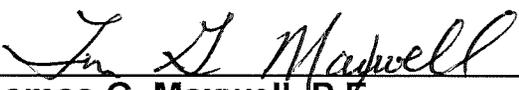
1) Contracted Services:	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Cost</u>
Wattles Road Linear Storage	LS	1	\$ 4,125,882	\$ 4,125,882
			Sub-Total	\$ 4,125,882
 2) Project Development				
Consulting Engineering:				
Design				\$ 236,500
Construction				\$ 225,000
Soil Borings and Material Testing				\$ 60,220
			Sub-Total	\$ 522,000
 3) Contracted Services: Project Financing (1)				
Bond Counsel				\$ 7,000
Financial Consultant				\$ 4,000
Official Statement				\$ 2,000
Bond Rating Fees				\$ 7,000
Bond Discount (11/2%)				\$ 16,000
			Sub-Total	\$ 36,000
 4) County Services:				
Administration				\$ 40,100
Engineering				\$ 175,000
Right-Of-Way				\$ 30,110
Construction Inspection				\$ 300,000
Surveying				\$ 90,330
			Sub-Total	\$ 636,000
 5) Contingency				
				\$ 591,000
Estimate of Probable Project Cost				\$ 5,911,000

6) **CVT Shares/Allocation:**

Bloomfield Twp.	\$ 1,317,000
Troy	\$ 4,594,000
Total	\$ 5,911,000

Note (1) - Project Financing Fees are added into Bloomfield Townships Costs only. The City of Troy is paying cash for their share of the project.

I hereby certify the period of usefulness of these facilities to be forty (40) years and upwards.

By: 
Thomas G. Maxwell, P.E.
Project Engineer

Date: August 13, 2015



PRINCIPALS

George E. Hubbell
Thomas E. Biehl
Walter H. Alix
Keith D. McCormack
Nancy M. D. Faught
Daniel W. Mitchell
Jesse B. VanDeCreek
Roland N. Alix
Michael C. MacDonald
James F. Burton

SENIOR ASSOCIATES

Gary J. Tressel
Kenneth A. Melchior
Randal L. Ford
William R. Davis
Dennis J. Benoit
Robert F. DeFrain
Thomas D. LaCross
Albert P. Mickalich
Timothy H. Sullivan

ASSOCIATES

Jonathan E. Booth
Marvin A. Olane
Marshall J. Grazioli
Donna M. Martin
Charles E. Hart
Colleen L. Hill-Stramsak
Bradley W. Shepler
Karyn M. Stickel
Jane M. Graham

HUBBELL, ROTH & CLARK, INC.

OFFICE: 555 Hulet Drive
Bloomfield Hills, MI 48302-0360
MAILING: PO Box 824
Bloomfield Hills, MI 48303-0824
PHONE: 248.454.6300
FAX: 248.454.6312
WEBSITE: www.hrc-engr.com
EMAIL: info@hrc-engr.com

August 14, 2015

Oakland County Water Resources Commissioner
One Public Works Drive - Building 95 West
Waterford, Michigan 48328

Attn: Tom Maxwell, P.E., Construction Unit – Project Engineer

Re: NEI Bidding Climate Review

HRC Job No. 20140771

Dear Mr. Maxwell:

We have completed a review of the higher than anticipated bids received for the NEI Improvement Projects. In summary, our cost estimates were developed using the most recent line item pricing available; including other HRC projects and MDOT unit price publications. In addition, we inflated these units 10%-15% as a result of a meeting HRC hosted earlier this summer with a few local contractors and engineers regarding contractor availability and the bidding climate. The contractors voiced significant concerns in regards to the current bidding climate (see attached meeting minutes).

Following the openings of the NEI bids we spoke with the bidders of these projects and other municipal/project engineers for similar projects. Provided below is a summary of our findings:

- The current bidding climate is very volatile and many projects are receiving bids which are significantly higher than the construction estimates. The volatility occurs in all aspects of construction, including material supply and trucking. In fact, there are instances where material supplier pricing and cost of trucking have shown increases in excess of 25% over short periods of time (some as short as 1 month from a previous bid). Contractors are considering these pass-thru costs as part of their bids. Especially since these increases could be compounded by potential future price increases that could occur between the bid date and the start of construction.
- Due to the high volume of current and future projects contractors and sub-contractors are at their capacity and as a result prices are increasing bids to account for overtime and the potential for liquidated damages if project completion date is not met.
- There are fewer local contractors bidding on projects which results in less competitive bid prices. Many companies went out of business or left the area during the downturn in the economy and have not returned. The remaining contractors typically have fewer employees due to the downturn in the economy and as a result have less capacity for work.
- Certain aspects of the NEI projects involve winter construction. Contractors may have accounted for the recent severity of winter weather.
- There were a number of last minute additions to the project beyond our control that were not included in our estimate (i.e. Stonycroft condemnation, water main replacement, etc.).

Mr. Tom Maxwell, P.E.
August 14, 2015
HRC Job Number 20140771
Page 2 of 2

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

Very truly yours,

HUBBELL, ROTH & CLARK, INC.

Mike MacDonald, P.E.
Vice President

MM/mm
Attachment
pc: HRC; D. Mitchell, File

MEETING MINUTES Contractor Update

PRINCIPALS

George E. Hubbell
Thomas E. Biehl
Walter H. Alix
Keith D. McCormack
Nancy M. D. Faught
Daniel W. Mitchell
Jesse B. VanDeCreek
Roland N. Alix

SENIOR ASSOCIATES

Gary J. Tressel
Kenneth A. Melchior
Randal L. Ford
William R. Davis
Dennis J. Benoit
Robert F. DeFrain
Thomas D. LaCross
Albert P. Mickalich

ASSOCIATES

Jonathan E. Booth
Michael C. MacDonald
Marvin A. Olane
Marshall J. Grazioli
James F. Burton
Donna M. Martin
Charles E. Hart
Colleen L. Hill-Stramsak
Bradley W. Shepler
Karyn M. Stickel

HUBBELL, ROTH & CLARK, INC.

OFFICE: 555 Hulet Drive
Bloomfield Hills, MI 48302-0360
MAILING: PO Box 824
Bloomfield Hills, MI 48303-0824
PHONE: 248.454.6300
FAX: 248.454.6312
WEBSITE: www.hrc-engr.com
EMAIL: info@hrc-engr.com

Date: Tuesday, June 09, 2015

Time: 7:30 a.m.

Meeting Held: HRC Offices

<u>Attendee Name</u>	<u>Representing</u>	<u>Phone No.</u>
Hal Howlett.....	Angelo Iafrate Construction Company	810-343-3857
Ken Carnwath	Carnwath Excavating Company	248-640-0954
Ed Mancini.....	Ric-Man Construction, Inc.....	810-459-0507
Marc Faust	Faust Corporation	586-445-2030
Dominic Vani.....	VIL Construction.....	586-979-6020
Roger Cantelon	Inland Lakes Landscaping.....	248-338-8088
Jeff Bednar	Anderson, Eckstein & Westrick	586-726-1234
Jamie Burton	Hubbell, Roth & Clark	248-454-6363
Tom Doran	Hubbell, Roth & Clark	248-535-3309
Albert Mickalich	Hubbell, Roth & Clark	248-454-6380
Jennifer Chehab	Hubbell, Roth & Clark	248-454-6330
Melissa Coatta.....	Hubbell, Roth & Clark	248-454-6567
Derek Stratelak	Hubbell, Roth & Clark	248-454-6870
Mary Urbanik.....	Hubbell, Roth & Clark	248-454-6856

PURPOSE: To discuss upcoming HRC projects, contractor availability, materials, and ways to improve the bidding process.

Bid prices

- Contractor costs are 30%+ higher than last year, that’s if you can get the material or sub.
- Contractors often have to staff with C and D teams rather than A teams, and price the inefficiency into the bid
- “New reality. Get used to it.”
- “Once you’re at capacity, you are going to add 30/40/50% to the bid price or else walk away.”
- Complex jobs = more risk = higher bid prices
- On projects with challenging schedules, contractors are adding damages for late completion to their bid prices, which drives up the bids.
- Very aggressive schedules (like COE projects) eliminate a lot of competition. Consider an option, where possible, for later completion, which may increase competition and reduce bid prices that would otherwise include damages.
- Better/more detailed engineering easier to bid because less risk, versus having to account for greater risk with less detailed design documents.

Modified design-build delivery model

- Contractors in the room were generally receptive to a modified design-build process where contractors are prequalified, less detail is provided, unit prices are used to select the contractor, and the contract may be extended to other similar projects. Risk for the contractor is in the effort needed to get prequalified. If the contract is going to be extended, the contractor should be notified as soon as possible to make sure there's capacity to do the additional work.

Contractor capacity

- During the 2009-2010 downturn, everyone shrunk at least 50-60%. Now, there is a shortage of trucks, drivers, and materials. Contractors are still recovering from "brutal" 2009-2010.
- Talent went to Texas, Florida, or retired, and it's taking time for the talent to be re-developed.
- Trucking, especially drivers, is a big problem.
- After 2009-2010, many contractors are scared to gear up for what might end soon
- Tradesmen aren't here. For instance, Pulte foundation work went down to zero during the downturn
- During the downturn, the number of landscapers was reduced too; "super busy" now
- lafrate rep said that huge jobs will be bid later this year

Engineer estimates

- Increase 30-40% rather than 10-15% in this market or the owner will be surprised.
- First make sure material prices are *real* and then add an escalation factor. Have to make sure you can get the material specified/bid.
- Contractors would like to see more receptivity to value engineering suggestions that can reduce cost. Some engineers are still "offended" by these suggestions. Modified design-build process would help in this area. Often see VE cost savings split 50-50 between the contractor and owner.

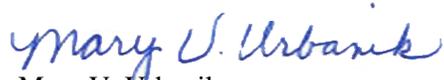
Other topics

- Contractors don't favor construction staking and testing being transferred to the contractor: hard to estimate, additional risk, more subs (bids).
- For some contractors, specialty work can be more attractive than commodity work
- GCs usually separate earthmoving work from finesse work (landscaping, ecological restoration); different subs
- Why does the landscape maintenance period have to be so long, especially when retainage is significant? Especially difficult for smaller subs.

These minutes are intended to be a summary of those items discussed. Any corrections and/or comments should be noted to the writer as soon as possible.

Respectfully submitted,

HUBBELL, ROTH & CLARK, INC.


Mary V. Urbanik

TD/mu

pc: HRC; W. Alix, K. McCormack, File

BID TABULATION
 NEI IMPROVEMENTS
 WATTLES ROAD LINEAR STORAGE PROJECT
 OAKLAND COUNTY WATER RESOURCES COMMISSIONER
 OAKLAND COUNTY, MICHIGAN

Bids Due: 8/12/2015
 HRC Job # 20140771

Angelo Iafrate Construction Co.
 26300 Sherwood
 Warren, MI 48091
 586-756-1070

Dan's Excavating, Inc.
 12955 23 Mile Road
 Shelby Township, MI 48315
 586-254-2040

VIL Construction, Inc.
 6670 Sims Drive
 Sterling Heights, MI 48313
 586-979-6020

Item	Quantity	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
SECTION I							
1. Mobilization, Max 3%	1 LS	\$115,000.00	\$115,000.00	\$140,000.00	\$140,000.00	\$175,000.00	\$175,000.00
2. Tree, Rem, 6 inch to 18 inch	15 Ea	\$200.00	\$3,000.00	\$200.00	\$3,000.00	\$500.00	\$7,500.00
3. Tree, Rem, 19 inch to 36 inch	4 Ea	\$750.00	\$3,000.00	\$775.00	\$3,100.00	\$1,750.00	\$7,000.00
4. Drainage Structure, Rem	12 Ea	\$334.00	\$4,008.00	\$246.00	\$2,952.00	\$600.00	\$7,200.00
5. Sewer, Rem, Less than 24 inch	1057 Lft	\$9.85	\$10,411.45	\$10.00	\$10,570.00	\$40.00	\$42,280.00
6. Culvert, Rem, Less than 24 inch	221 Lft	\$7.55	\$1,668.55	\$12.00	\$2,652.00	\$20.00	\$4,420.00
7. Culvert, Rem, 24 inch to 48 inch	20 Lft	\$29.40	\$588.00	\$12.00	\$240.00	\$30.00	\$600.00
8. Pavement Sawcut	3800 Lft	\$1.75	\$6,650.00	\$2.00	\$7,600.00	\$3.00	\$11,400.00
9. Pavement, Rem	8149 Syd	\$4.15	\$33,818.35	\$9.00	\$73,341.00	\$12.00	\$97,788.00
10. Cold Milling HMA Surface	5395 Syd	\$3.85	\$20,770.75	\$4.75	\$25,626.25	\$4.00	\$21,580.00
11. Erosion Control, Silt Fence Gravel Filter (SP-3)	4 Ea	\$295.00	\$1,180.00	\$60.00	\$240.00	\$250.00	\$1,000.00
12. Erosion Control, Inlet Filter (SI-4A)	20 Ea	\$136.00	\$2,720.00	\$81.00	\$1,620.00	\$125.00	\$2,500.00
13. Erosion Control, Silt Fence (SP-2)	1488 Lft	\$1.85	\$2,752.80	\$2.00	\$2,976.00	\$3.00	\$4,464.00
14. Property Protection Fence	200 Lft	\$5.28	\$1,056.00	\$5.00	\$1,000.00	\$10.00	\$2,000.00
15. Mailbox, Remove and Salvage	19 Ea	\$57.30	\$1,088.70	\$73.00	\$1,387.00	\$200.00	\$3,800.00
16. Sign, Remove and Salvage	7 Ea	\$57.30	\$401.10	\$73.00	\$511.00	\$200.00	\$1,400.00
17. Subdivision Sign, Remove and Salvage	1 Ea	\$401.00	\$401.00	\$3,500.00	\$3,500.00	\$1,250.00	\$1,250.00
18. Decorative Brick Column, Remove and Salvage	1 Ea	\$3,493.00	\$3,493.00	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00
19. Dewatering	1 LS	\$150,000.00	\$150,000.00	\$1.00	\$1.00	\$175,000.00	\$175,000.00
20. Sanitary Sewer, 60 inch, Tunnel, Jack or Bore	190 Lft	\$1,325.00	\$251,750.00	\$1,790.00	\$340,100.00	\$2,350.00	\$446,500.00
21. Sanitary Sewer, 60 inch, C76 CI-IV, Trench A	3,187 Lft	\$512.00	\$1,631,744.00	\$810.00	\$2,581,470.00	\$850.00	\$2,708,950.00
22. Sanitary Sewer, 21 inch, C76 CI-IV, Trench A	117 Lft	\$140.00	\$16,380.00	\$212.00	\$24,804.00	\$400.00	\$46,800.00
23. Sanitary Sewer, 12 inch, PVC, SDR 26, Trench A	492 Lft	\$159.00	\$78,228.00	\$173.00	\$85,116.00	\$450.00	\$221,400.00
24. Sanitary Sewer, 8 inch, PVC, SDR 26, Trench A	30 Lft	\$106.00	\$3,180.00	\$134.00	\$4,020.00	\$196.00	\$5,880.00
25. Sanitary House Lead, 6 inch, PVC (as needed)	700 Lft	\$98.77	\$69,139.00	\$80.00	\$56,000.00	\$160.00	\$112,000.00
26. Cleaning and Television Inspection of	216 Lft	\$10.00	\$2,160.00	\$4.00	\$864.00	\$15.00	\$3,240.00

Angelo Iafrate Construction Co.
 26300 Sherwood
 Warren, MI 48091
 586-756-1070

Dan's Excavating, Inc.
 12955 23 Mile Road
 Shelby Township, MI 48315
 586-254-2040

VIL Construction, Inc.
 6670 Sims Drive
 Sterling Heights, MI 48313
 586-979-6020

Item	Quantity	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
27. CIPP Line Existing 12 inch Sewer	216 Lft	\$82.50	\$17,820.00	\$74.50	\$16,092.00	\$240.00	\$51,840.00
28. Sanitary Sewer, 60 inch, Manhole Tee, Complete	11 Ea	\$5,979.00	\$65,769.00	\$9,700.00	\$106,700.00	\$8,350.00	\$91,850.00
29. Bulkhead, 60" Solid Slab Cap	1 Ea	\$2,002.00	\$2,002.00	\$883.00	\$883.00	\$4,500.00	\$4,500.00
30. Sanitary Manhole, 72 inch dia., Over Exist., Complete	1 Ea	\$5,684.00	\$5,684.00	\$6,800.00	\$6,800.00	\$10,000.00	\$10,000.00
31. Sanitary Manhole, 48 inch dia., Complete	4 Ea	\$3,310.00	\$13,240.00	\$3,200.00	\$12,800.00	\$6,500.00	\$26,000.00
32. Chestnut Hill Court (East Adams) Dewatering Chamber, Complete	1 LS	\$93,170.00	\$93,170.00	\$195,000.00	\$195,000.00	\$90,000.00	\$90,000.00
33. Wattles Road Inlet Chamber, Complete	1 LS	\$127,660.00	\$127,660.00	\$210,000.00	\$210,000.00	\$150,000.00	\$150,000.00
34. Wattles Road Junction (West Adams) Chamber, Complete	1 LS	\$243,260.00	\$243,260.00	\$261,000.00	\$261,000.00	\$250,000.00	\$250,000.00
35. Connection to Existing Sewer	2 Ea	\$2,252.00	\$4,504.00	\$2,400.00	\$4,800.00	\$2,500.00	\$5,000.00
36. Sanitary Sewer, Abandon in Place	462 Lft	\$6.85	\$3,164.70	\$5.00	\$2,310.00	\$20.00	\$9,240.00
37. Sanitary Manhole, Abandon	1 Ea	\$317.00	\$317.00	\$500.00	\$500.00	\$1,250.00	\$1,250.00
38. 36 " Water Main Reocation	1 LS	\$34,000.00	\$34,000.00	\$120,000.00	\$120,000.00	\$116,000.00	\$116,000.00
39. Water Main, Cut, Cap and Thrust Block, 8 inch	4 Ea	\$1,038.00	\$4,152.00	\$750.00	\$3,000.00	\$1,500.00	\$6,000.00
40. Gate Valve and Well, Remove	2 Ea	\$638.00	\$1,276.00	\$650.00	\$1,300.00	\$600.00	\$1,200.00
41. 8" Water Main, Rem	30 Lft	\$16.00	\$480.00	\$12.00	\$360.00	\$30.00	\$900.00
42. 8" D.I.W.M., Cl 54 Trench A	30.00 Lft	\$118.00	\$3,540.00	\$118.00	\$3,540.00	\$150.00	\$4,500.00
43. Gate Valve and Well, 8 inch	1 Ea	\$3,897.00	\$3,897.00	\$3,400.00	\$3,400.00	\$6,000.00	\$6,000.00
44. Storm Sewer, 24 inch, C76 Cl-IV, Trench A	40 Lft	\$76.50	\$3,060.00	\$57.00	\$2,280.00	\$90.00	\$3,600.00
45. Storm Sewer, 15 inch, C76 Cl-IV, Trench A	136 Lft	\$60.75	\$8,262.00	\$39.00	\$5,304.00	\$75.00	\$10,200.00
46. Storm Sewer, 12 inch, C76 Cl-IV, Trench A	932 Lft	\$50.49	\$47,056.68	\$36.00	\$33,552.00	\$60.00	\$55,920.00
47. Steel Casing Pipe, 16 inch, Jacked in Place	30 Lft	\$250.00	\$7,500.00	\$422.00	\$12,660.00	\$250.00	\$7,500.00
48. Edge Drain, 12 inch, Perforated PVC	150 Lft	\$30.00	\$4,500.00	\$41.00	\$6,150.00	\$50.00	\$7,500.00
49. Storm Sewer, 8 inch, PVC, Trench A	25 Lft	\$53.51	\$1,337.75	\$28.00	\$700.00	\$40.00	\$1,000.00
50. Standard Storm Manhole, 4 foot dia., Complete	1 Ea	\$1,999.00	\$1,999.00	\$1,900.00	\$1,900.00	\$1,750.00	\$1,750.00
51. Standard Storm Catch Basin, 4 foot dia., Complete	7 Ea	\$2,003.00	\$14,021.00	\$1,900.00	\$13,300.00	\$1,500.00	\$10,500.00
52. Standard Storm Catch Basin, 2 foot dia., Complete	4 Ea	\$1,581.00	\$6,324.00	\$1,300.00	\$5,200.00	\$1,250.00	\$5,000.00
53. Culvert, 48 inch, CMP, Trench A	20 Lft	\$133.00	\$2,660.00	\$164.00	\$3,280.00	\$175.00	\$3,500.00
54. Culvert, 18 inch, CMP, Trench A	94 Lft	\$47.90	\$4,502.60	\$44.00	\$4,136.00	\$60.00	\$5,640.00
55. Culvert, 12 inch, CMP, Trench A	140 Lft	\$45.00	\$6,300.00	\$37.00	\$5,180.00	\$45.00	\$6,300.00

Angelo Iafrate Construction Co.
 26300 Sherwood
 Warren, MI 48091
 586-756-1070

Dan's Excavating, Inc.
 12955 23 Mile Road
 Shelby Township, MI 48315
 586-254-2040

VIL Construction, Inc.
 6670 Sims Drive
 Sterling Heights, MI 48313
 586-979-6020

Item	Quantity	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
56. End Section for 24" Concrete	1 Ea	\$927.00	\$927.00	\$1,700.00	\$1,700.00	\$750.00	\$750.00
57. End Section for 15" Concrete	1 Ea	\$593.00	\$593.00	\$1,000.00	\$1,000.00	\$600.00	\$600.00
58. End Section for 12" Concrete	2 Ea	\$562.00	\$1,124.00	\$900.00	\$1,800.00	\$500.00	\$1,000.00
59. End Section for 18" CMP	4 Ea	\$282.00	\$1,128.00	\$600.00	\$2,400.00	\$250.00	\$1,000.00
60. End Section for 12" CMP	12 Ea	\$232.00	\$2,784.00	\$400.00	\$4,800.00	\$150.00	\$1,800.00
61. Ditching	1586 Lft	\$7.45	\$11,815.70	\$11.00	\$17,446.00	\$25.00	\$39,650.00
62. Aggregate Base, 21AA Crushed Limestone	2468 Ton	\$21.10	\$52,074.80	\$15.00	\$37,020.00	\$40.00	\$98,720.00
63. Shoulder, CL II	737 Syd	\$13.18	\$9,713.66	\$13.00	\$9,581.00	\$12.00	\$8,844.00
64. HMA, 5E1	1567 Ton	\$87.90	\$137,739.30	\$89.00	\$139,463.00	\$100.00	\$156,700.00
65. HMA, 3C	947 Ton	\$79.80	\$75,570.60	\$83.00	\$78,601.00	\$95.00	\$89,965.00
66. HMA, 2C	1634 Ton	\$76.80	\$125,491.20	\$65.00	\$106,210.00	\$92.00	\$150,328.00
67. HMA Plane of Weakness Joint	3163 Lft	\$3.00	\$9,489.00	\$8.00	\$25,304.00	\$10.00	\$31,630.00
68. Butt Joint	572 Lft	\$15.00	\$8,580.00	\$3.00	\$1,716.00	\$15.00	\$8,580.00
69. Driveway, HMA, 36A	100 Ton	\$185.00	\$18,500.00	\$185.00	\$18,500.00	\$250.00	\$25,000.00
70. Driveway, Nonreinf Concrete, 6 inch	158 Syd	\$52.20	\$8,247.60	\$55.00	\$8,690.00	\$65.00	\$10,270.00
71. Concrete Curb and Gutter, F2	120 Lft	\$23.10	\$2,772.00	\$40.00	\$4,800.00	\$45.00	\$5,400.00
72. Reinstall Mailboxes w/ New Post	19 Ea	\$100.00	\$1,900.00	\$150.00	\$2,850.00	\$250.00	\$4,750.00
73. Reinstall Street Signs w/ New Posts	7 Ea	\$125.00	\$875.00	\$150.00	\$1,050.00	\$300.00	\$2,100.00
74. Traffic Maintenance Control	1 LS	\$85,000.00	\$85,000.00	\$107,000.00	\$107,000.00	\$155,000.00	\$155,000.00
75. Permanent Pavement Markings	1 LS	\$5,270.00	\$5,270.00	\$5,720.00	\$5,720.00	\$12,500.00	\$12,500.00
76. Deciduous/Evergreen Trees	16 Ea	\$850.00	\$13,600.00	\$850.00	\$13,600.00	\$600.00	\$9,600.00
77. Shrubs	15 Ea	\$65.00	\$975.00	\$65.00	\$975.00	\$200.00	\$3,000.00
78. Grasses and Herbaceous Plants	76 Ea	\$25.00	\$1,900.00	\$25.00	\$1,900.00	\$50.00	\$3,800.00
79. Metal Landscape Edging	124 Lft	\$10.00	\$1,240.00	\$10.00	\$1,240.00	\$15.00	\$1,860.00
80. Shredded Hardwood Mulch	15 Cyd	\$65.00	\$975.00	\$65.00	\$975.00	\$150.00	\$2,250.00
81. Seeding	1.6 Ac	\$2,500.00	\$4,000.00	\$3,000.00	\$4,800.00	\$15,000.00	\$24,000.00
82. Sodding	700 Syd	\$6.00	\$4,200.00	\$5.25	\$3,675.00	\$20.00	\$14,000.00
83. Topsoil Surface, Furn, 3 inch	8450 Syd	\$2.50	\$21,125.00	\$3.25	\$27,462.50	\$3.00	\$25,350.00
84. Mulch Blanket	500 Syd	\$1.25	\$625.00	\$1.25	\$625.00	\$5.00	\$2,500.00
85. Water, Sodding/Seeding (1,000	250 Unit	\$50.00	\$12,500.00	\$0.01	\$2.50	\$75.00	\$18,750.00
86. Adams Road RTU Installation, Complete	1 LS	\$125,000.00	\$125,000.00	\$156,000.00	\$156,000.00	\$55,000.00	\$55,000.00
87. Springdale GC RTU Installation, Complete	1 LS	\$115,000.00	\$115,000.00	\$39,000.00	\$39,000.00	\$65,000.00	\$65,000.00
88. RCOC Permit Fee Allowance	1 LS	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
89. Allowance for OCWRC SCADA Programming Services Charges	1 LS	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
90. Allowance for Troy SCADA Programming Services Charges	1 LS	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00
91. Allowance for Electric Utility Charges for New services, four (4) locations	1 LS	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00

Angelo Iafrate Construction Co.
 26300 Sherwood
 Warren, MI 48091
 586-756-1070

Dan's Excavating, Inc.
 12955 23 Mile Road
 Shelby Township, MI 48315
 586-254-2040

VIL Construction, Inc.
 6670 Sims Drive
 Sterling Heights, MI 48313
 586-979-6020

Item	Quantity	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
92. Audio/Video Route Survey	1 LS	\$1,600.00	\$1,600.00	\$1,575.00	\$1,575.00	\$3,500.00	\$3,500.00
Total Amount of Bid			\$4,125,882.29	\$5,361,798.25	*	\$6,209,339.00	*

Additional Bidders:

Stante Excavating Co, Inc. \$7,434,584.90 *

ENGINEER:

Hubbell, Roth & Clark, Inc.
 555 Hulet Drive
 P.O. Box 824
 Bloomfield Hills, MI 48083-0824

* Corrected by Engineer

BID TABULATION
 NEI IMPROVEMENTS
 HYDRAULIC IMPROVEMENTS PROJECT
 OAKLAND COUNTY WATER RESOURCES COMMISSIONER
 OAKLAND COUNTY, MICHIGAN

Bids Due: 8/12/2015
 HRC Job # 20140775

DiPonio Contractor, Inc.
 51173 Simone Industrial Drive
 Shelby Township, MI 48316
 586-997-4150

VIL Construction, Inc.
 6670 Sims Drive
 Sterling Heights, MI 48313
 586-979-6020

Pamar Enterprises, Inc.
 58021 Gratiot Avenue
 New Haven, MI 48048
 586-749-8593

Item	Quantity	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
SECTION I							
1. Mobilization, Max 3%	1 LS	\$15,000.00	\$15,000.00	\$17,000.00	\$17,000.00	\$15,000.00	\$15,000.00
2. Sawcut Pavement	980 Lft	\$4.00	\$3,920.00	\$4.00	\$3,920.00	\$2.00	\$1,960.00
3. Pavement, Rem	1235 Syd	\$10.00	\$12,350.00	\$15.00	\$18,525.00	\$7.00	\$8,645.00
4. Clearing	1 LS	\$3,730.00	\$3,730.00	\$5,000.00	\$5,000.00	\$8,500.00	\$8,500.00
5. Guardrail, Rem, Salvage and Reinstall	30 Lft	\$25.00	\$750.00	\$70.00	\$2,100.00	\$65.00	\$1,950.00
6. Sanitary Manhole, Remove	1 Ea	\$750.00	\$750.00	\$1,250.00	\$1,250.00	\$1,100.00	\$1,100.00
7. Sewer, Rem, 24" to 48"	30 Lft	\$30.00	\$900.00	\$50.00	\$1,500.00	\$35.00	\$1,050.00
8. Soil Erosion Control Measures	1 LS	\$1,500.00	\$1,500.00	\$2,500.00	\$2,500.00	\$2,000.00	\$2,000.00
9. Dewatering	1 LS	\$12,000.00	\$12,000.00	\$15,000.00	\$15,000.00	\$2,500.00	\$2,500.00
10. Sanitary Sewer, 24 inch, C76 CI-IV, Trench A	202 Lft	\$400.00	\$80,800.00	\$490.00	\$98,980.00	\$550.00	\$111,100.00
11. Sanitary Sewer 24" Slip Lining Pipe	386 Lft	\$390.00	\$150,540.00	\$425.00	\$164,050.00	\$490.00	\$189,140.00
12. Sanitary Manhole Over Existing Sewer, 72 inch dia., Complete	4 Ea	\$15,500.00	\$62,000.00	\$7,500.00	\$30,000.00	\$16,500.00	\$66,000.00
13. 8" Water Tight Bulkhead	1 Ea	\$350.00	\$350.00	\$250.00	\$250.00	\$250.00	\$250.00
14. 24" Water Tight Bulkhead	8 Ea	\$800.00	\$6,400.00	\$500.00	\$4,000.00	\$660.00	\$5,280.00
15. Abandon Existing 24" Sanitary Sewer	390 Lft	\$25.00	\$9,750.00	\$30.00	\$11,700.00	\$22.00	\$8,580.00
16. Abandon Existing Sanitary Sewer MH	2 Ea	\$600.00	\$1,200.00	\$1,250.00	\$2,500.00	\$800.00	\$1,600.00
17. Manhole Bench Rehabilitation	16 Ea	\$2,750.00	\$44,000.00	\$1,950.00	\$31,200.00	\$1,780.00	\$28,480.00
18. Aggregate Base, 21AA Crushed Limestone	290 Cyd	\$75.00	\$21,750.00	\$45.00	\$13,050.00	\$45.00	\$13,050.00
19. Conditioning of Existing Aggregate Base	1 LS	\$7,500.00	\$7,500.00	\$17,500.00	\$17,500.00	\$11,250.00	\$11,250.00
20. HMA 2C	30 Ton	\$135.00	\$4,050.00	\$165.00	\$4,950.00	\$135.00	\$4,050.00
21. HMA, 3C	208 Ton	\$135.00	\$28,080.00	\$165.00	\$34,320.00	\$135.00	\$28,080.00
22. HMA, 13A	146 Ton	\$135.00	\$19,710.00	\$175.00	\$25,550.00	\$135.00	\$19,710.00
23. Concrete Curb and Gutter, F2	15 Lft	\$81.00	\$1,215.00	\$50.00	\$750.00	\$100.00	\$1,500.00
24. Driveway Opening, Concrete, Det M	25 Lft	\$105.00	\$2,625.00	\$60.00	\$1,500.00	\$111.00	\$2,775.00
25. Driveway, Nonreinf Concrete, 6 inch	28 Syd	\$125.00	\$3,500.00	\$90.00	\$2,520.00	\$70.00	\$1,960.00
26. Butt Joint	160 Lft	\$25.00	\$4,000.00	\$15.00	\$2,400.00	\$21.00	\$3,360.00
27. 4" Concrete Sidewalk	200 Sft	\$18.00	\$3,600.00	\$10.00	\$2,000.00	\$18.00	\$3,600.00
28. 4" Decorative Concrete Sidewalk w/Exposed Aggregate	60 Sft	\$70.00	\$4,200.00	\$100.00	\$6,000.00	\$70.00	\$4,200.00

DiPonio Contractor, Inc.
 51173 Simone Industrial Drive
 Shelby Township, MI 48316
 586-997-4150

VIL Construction, Inc.
 6670 Sims Drive
 Sterling Heights, MI 48313
 586-979-6020

Pamar Enterprises, Inc.
 58021 Gratiot Avenue
 New Haven, MI 48048
 586-749-8593

Item	Quantity	Unit Price	Total Cost	Unit Price	Total Cost	Unit Price	Total Cost
29. Remove, Salvage and Reinstall Bike Loops	2 Ea	\$850.00	\$1,700.00	\$1,250.00	\$2,500.00	\$500.00	\$1,000.00
30. Remove, Salvage and Reinstall 3' High Decorative Brick Wall	18 Lft	\$400.00	\$7,200.00	\$1,250.00	\$22,500.00	\$550.00	\$9,900.00
31. Pavement Markings	1 LS	\$1,850.00	\$1,850.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
32. Traffic Maintenance Control	1 LS	\$29,500.00	\$29,500.00	\$25,000.00	\$25,000.00	\$10,000.00	\$10,000.00
33. Seeding	0.25 Acre	\$2,500.00	\$625.00	\$10,000.00	\$2,500.00	\$10,000.00	\$2,500.00
34. Topsoil Surface, Furn, 3 inch	1000 Syd	\$8.00	\$8,000.00	\$4.00	\$4,000.00	\$8.98	\$8,980.00
35. Mulch Blanket	75 Syd	\$8.00	\$600.00	\$5.00	\$375.00	\$8.88	\$666.00
36. Water, Sodding/Seeding (1,000 gal/unit)	10 Unit	\$50.00	\$500.00	\$75.00	\$750.00	\$50.00	\$500.00
37. MDOT Permit Fee Allowance	1 LS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
38. Audio-Video Route Survey	1 LS	\$3,500.00	\$3,500.00	\$1,500.00	\$1,500.00	\$1,025.00	\$1,025.00
Total Amount of Bid			\$564,645.00		\$585,640.00		\$587,741.00

No Additional Bidders:

ENGINEER:

Hubbell, Roth & Clark, Inc.
 555 Hulet Drive
 P.O. Box 824
 Bloomfield Hills, MI 48083-0824



CITY COUNCIL ACTION REPORT

April 14, 2015

TO: Honorable Mayor and City Council

FROM: Brian Kischnick, City Manager
Mark Miller, Director of Economic and Community Development
Tim Richnak, Public Works Director
Steven J. Vandette, City Engineer

SUBJECT: Evergreen Farmington Sewage Disposal System – North Evergreen Interceptor (NEI) Wattles Road Storage Contract & NEI Hydraulic Improvements Contract

History:

As presented in a report (attached) to City Council on March 9, 2015, the City of Troy will be participating with Bloomfield Township and Bloomfield Hills on several long awaited sewer improvement projects in the Evergreen Farmington Sewage Disposal District. These sewer improvements are designed to eliminate sanitary sewer overflows to the Rouge River during a 10-year storm event, as required by the Michigan Department of Environmental Quality (MDEQ) and, in accordance with the City's and WRC's MDEQ approved Short Term and Long Term Corrective Action (LTCAP) Plans. Since 2005 there have been 11 rain events during which the City has implemented relief pumping. The City is bound by its LTCAP with the MDEQ to eliminate this pumping (SSO) by the end of 2017.

The Oakland County Water Resources Commissioner (WRC) will be administering the design and construction of two (2) interceptor improvement projects, which upon their completion will be owned and maintained by the WRC. Contracts provided by the WRC, which for each project enumerate the financial obligations of the City of Troy, Bloomfield Hills and Bloomfield Township in Exhibit "B", are submitted for Council's approval.

Financial:

The estimated cost of the North Evergreen Interceptor (NEI) Wattles Road Storage project is \$4,630,000. Bloomfield Township's project financing fees of \$36,000 for bonds are assessed to Bloomfield Township only. Troy's share of the project's estimated cost, excluding these financing fees, is 78.2% of \$4,594,000 or \$3,592,508 based on the percentage of interceptor sewer flow coming from Troy.

The estimated cost of the NEI Hydraulic Improvements project is \$1,016,000. Bloomfield Township's project financing fees of \$36,000 for bonds are assessed to Bloomfield Township only. Troy's share of the project's estimated cost, excluding these financing fees, is 71.4% of \$980,000 or \$699,720 based on the percentage of interceptor sewer flow coming from Troy.

The total estimated cost of both projects is \$5,646,000. Troy's share of the estimated total cost is \$4,292,228. The proposed 2015-16 Sewer Capital Budget will include sufficient funding to pay Troy's share of the projects in full, as recommended by Tom Darling, Director of Financial Services and supported by city management.

Each local unit of government is required under 46.175b, Section 5e of the County Public Improvement Act of 1939, Act 342, to go through a 45-day referendum period, as each is pledging its full faith and credit to make project payments. This requires publication of a notice (attached as provided by the WRC) that allows for the right to petition for a referendum on the contract(s). If, within 45 days from the date of publication, a petition signed by 10% or 15,000, whichever is the lesser, of the registered electors residing within the City of Troy is filed with the City Clerk requesting a referendum upon the contract(s), the contract(s) will not become effective until approved by a majority of the electors of the City of Troy qualified to vote and voting at a general or special election.

Recommendation:

Staff recommends that City Council take the following actions on the proposed WRC projects:

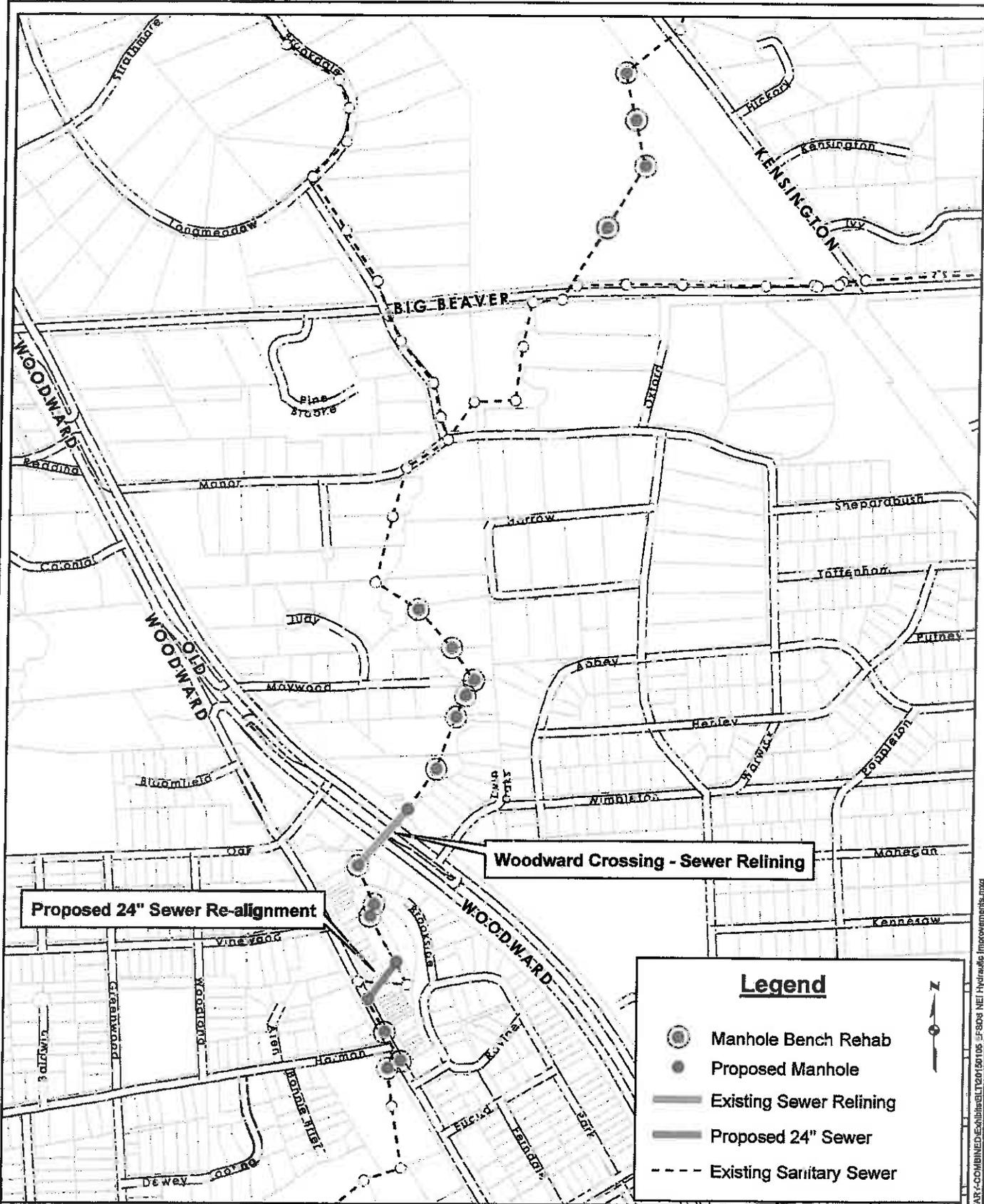
1. Approve Resolution "A" for the North Evergreen Interceptor (NEI) Wattles Road Storage project that would:
 - Approve a contract with the WRC for construction and payment of Troy's estimated \$3,592,508 share of the project cost. This would be paid from the 2015-16 Sewer Capital budget.
 - Pledge the City of Troy's full faith and credit for its share of the project.
 - Approve the preliminary plans and estimates of project cost, as contained in Exhibits A and B.
 - Authorize the City Clerk to publish a notice in the Troy Gazette to inform all interested persons as to the nature and extent of the full faith and credit obligations of the City under the Contract and notice of right of referendum on approval of the contract.
 - Directs that a copy of executed contract shall be attached to the minutes of the council meeting and placed on file with the City Clerk.

2. Approve Resolution "B" for the North Evergreen Interceptor (NEI) Hydraulic Improvements project that would:
 - Approve a contract with the WRC for construction and payment of Troy's estimated \$699,720 share of the project cost. This would be paid from the 2015-16 Sewer Capital budget.
 - Pledge the City of Troy's full faith and credit for its share of the project.
 - Approve the preliminary plans and estimates of project cost, as contained in Exhibits A and B.
 - Authorize the City Clerk to publish a notice in the Troy Gazette to inform all interested persons as to the nature and extent of the full faith and credit obligations of the City under the Contract and notice of right of referendum on approval of the contract.
 - Directs that a copy of executed contract shall be attached to the minutes of the council meeting and placed on file with the City Clerk.

City Attorney's Review as to Form and Legality

Lori Grigg Bluhm, City Attorney

Date

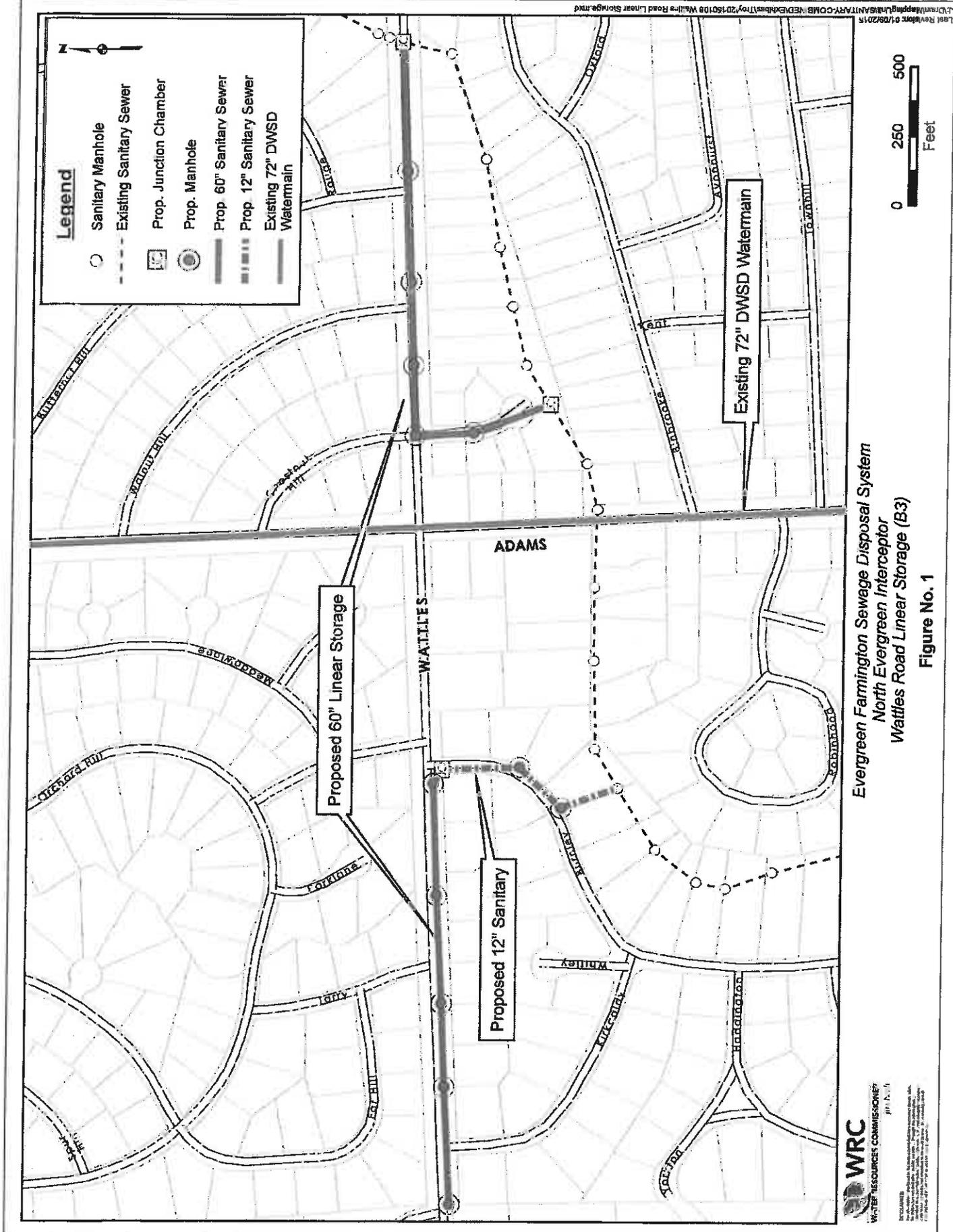


Evergreen Farmington Sewage Disposal System
 North Evergreen Interceptor
 NEI Hydraulic Improvements (B4)

Figure No. 1

DISCLAIMER: This drawing is a preliminary design and is not intended for construction. It is subject to change without notice. The user assumes all liability for any errors or omissions. The user shall indemnify and hold the engineer harmless from and against all claims, damages, and expenses, including reasonable attorneys' fees, arising out of or from the use of this drawing.

11/22/2016
 J:\Drawings\Maping\Units\NITAR-COMBINED-EXHIBITS\1200150105_EFSDS_NEI_Hydraulic_Improvements.mxd



Evergreen Farmington Sewage Disposal System
 North Evergreen Interceptor
 Wattle's Road Linear Storage (B3)
 Figure No. 1

Last Revised: 9/10/2015
 C:\Program Files\Autodesk\AutoCAD 2015\Projects\20150109 Wattle's Road Linear Storage.mxd

CITY OF TROY
OAKLAND COUNTY, MICHIGAN

NOTICE OF ADOPTION OF RESOLUTION BY CITY COUNCIL
AUTHORIZING EXECUTION OF A CONTRACT PLEDGING
THE FULL FAITH AND CREDIT OF THE
CITY AND NOTICE OF RIGHT OF REFERENDUM
WATTLES ROAD STORAGE PROJECT

TO ALL ELECTORS AND TAXPAYERS OF
THE CITY OF TROY AND OTHER
INTERESTED PERSONS:

NOTICE IS HEREBY GIVEN, that the City Council of the City of Troy has adopted a resolution approving and authorizing the execution and delivery of a contract between the County of Oakland (hereinafter sometimes referred to as the "County") and the City of Troy and the Charter Township of Bloomfield (collectively, the "Municipalities") pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, relative to the acquisition, construction and financing of improvements and facilities comprising the Evergreen Farmington Sewage Disposal System North Evergreen Interceptor Wattles Road Storage Project as more specifically set forth in the contract (the "Project").

PURPOSE OF CONTRACT

The contract has for its purpose and provides for (a) the acquisition and construction of the Project at a total estimated cost of \$4,630,000; (b) the increase of the estimated cost under certain circumstances; (c) the payment in cash from available funds by the City of Troy in the amount of \$3,592,508 to defray part of the cost of acquiring and constructing the Project; (d) the issuance of County bonds in one or more series in the estimated aggregate amount of \$1,037,492 to defray the remaining cost of acquiring and constructing the Project; and (e) the pledge of the full faith and credit of the Charter Township of Bloomfield to the payment of the amounts due the County as specified in the Contract that shall be sufficient to pay the principal of and interest

on such bonds. The amount of the cash payment to be made by the City of Troy and the amount of bonds to be issued by the County may be increased if the cost of the Project exceeds the current estimate.

**CITY OF TROY'S
CONTRACTUAL OBLIGATION AND SOURCE OF PAYMENT**

The City of Troy is obligated to pay its share of the cost of the Project in cash at the time the aforementioned bonds are to be issued by the County of Oakland. Although the City intends to make the aforementioned cash payment in the present estimated amount of \$3,592,508 from available City funds, the full faith and credit of the City of Troy have been pledged in the contract for the making of such payment as the same shall become due. Any taxes levied by the City for the payment of its obligation to the County will be subject to applicable charter, statutory and constitutional tax limitations.

RIGHT TO PETITION FOR REFERENDUM ON CONTRACT

This notice is given by order of the City Council to and for the benefit of the electors and taxpayers residing in the City of Troy and any other interested persons in order to inform them of their right to petition for a referendum upon the contract. The contract will not become effective until the expiration of 45 days after the publication of this notice. If, within said 45-day period, a petition signed by 10% or 15,000, whichever is the lesser, of the registered electors residing within the City of Troy is filed with the City Clerk requesting a referendum upon the contract, the contract will not become effective until approved by a majority of the electors of the City of Troy qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the subject matter of the contract and this notice, including the description and location of the Project, may be secured at the office of the City Clerk where a copy of the contract is available for examination during normal business hours.

This notice is given pursuant to the provisions of Section 5b of Act 342, Public Acts of Michigan, 1939, as amended.

Aileen Bittner, Clerk
City of Troy

BLOOMFIELD 9007-411 1460071v2

**EVERGREEN FARMINGTON SEWAGE DISPOSAL SYSTEMS
NORTH EVERGREEN INTERCEPTOR WATTLES ROAD STORAGE CONTRACT**

THIS CONTRACT, made and entered into as of the 1st day of May, 2015, by and among the COUNTY OF OAKLAND, a county corporation in the State of Michigan (hereinafter sometimes referred to as the "County"), by and through its Water Resources Commissioner, County Agency, and the CHARTER TOWNSHIP OF BLOOMFIELD, a Michigan charter township ("Bloomfield Township"), and the CITY OF TROY, a Michigan home rule city ("Troy"), both located in the County of Oakland, State of Michigan, (Bloomfield Township and Troy are hereinafter sometimes referred to as the "Municipalities" or individually, a "Municipality").

WITNESSETH:

WHEREAS, pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended (hereinafter sometimes referred to as "Act 342"), the Board of Commissioners of the County, by Resolution No. 7674, adopted September 2, 1976, authorized and directed that there be established by consolidation and merger a county system of sewage disposal improvements and services to serve the Municipalities and other municipalities in the County, said system to be known as the "Evergreen and Farmington Sewage Disposal Systems" (hereinafter sometimes referred to as the "System"), and designated the Oakland County Drain Commissioner (now the Oakland County Water Resources Commissioner) as the county agency for the System with all powers and duties with respect thereto as are provided by Act 342 (said Water Resources Commissioner being hereinafter sometimes referred to as the "County Agency"); and

WHEREAS, under and subject to the terms of Act 342, the County is authorized, through the County Agency, to acquire and construct the sewage disposal facilities hereinafter described

as constituting the project as part of the System (the "Project"), the County and the Municipalities are authorized to enter into a contract, as hereinafter provided, for the acquisition and construction of the Project by the County and for financing part of the cost thereof by Troy in cash from available funds and for the payment of the remaining cost thereof by the issuance of bonds by the County secured by the pledge of the full faith and credit of Bloomfield Township to pay such cost with interest to the County in installments extending over a period not exceeding forty (40) years, and the County is authorized to issue such bonds and, if authorized by majority vote of the members-elect of its Board of Commissioners, to pledge its full faith and credit for the payment of such bonds and the interest thereon; and

WHEREAS, there is an urgent need of such sewage disposal facilities to the Municipalities in order to promote the health and welfare of the residents thereof, which improvements would likewise benefit the County and its residents, and the parties hereto have concluded that such improvements can be provided and financed most economically and efficiently by the County through the exercise of the powers conferred by Act 342, and especially sections 5a, 5b and 5c thereof; and

WHEREAS, preliminary plans for the Project and estimates of the cost and period of usefulness thereof have been prepared, all of which have been submitted to and approved by the Board of Commissioners of the County and the governing bodies of the Municipalities and placed on file with said Board of Commissioners in the office of the County Agency, said estimates being set forth in Exhibit B hereunto attached; and

WHEREAS, it is proposed that the cost of the Project be financed in whole or in part by cash payments to be made by Troy and the issuance of one or more series of County bonds; and

WHEREAS, in order to provide for the acquisition and construction of the Project by the County and the financing of all or part of the cost thereof by cash payments and the issuance of County bonds, and for other related matters, it is necessary for the parties hereto to enter into this contract.

THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE COVENANTS OF EACH OTHER, THE PARTIES HERETO AGREE as follows:

1. The parties hereto approve and agree to the acquisition, construction and financing of the Project as herein provided, under and pursuant to Act 342. The Municipalities by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, consent and agree to the establishment and location of the Project within their corporate boundaries and to the use by the County of their streets, highways, alleys, lands, rights-of-way or other public places for the purpose and facilities of the Project and any improvements, enlargements or extensions thereof, and the Municipalities further agree that, in order to evidence and effectuate the foregoing agreement and consent, they will execute and deliver to the County such grants of easement, right-of-way, license, permit or consent as may be requested by the County.

2. The Project shall consist of the sewage disposal system facilities as described and specified in the preliminary plans set forth in Exhibit A, which is hereunto attached and is made a part hereof, and which preliminary plans are on file with the County Agency and are approved and adopted. The Project shall be acquired and constructed substantially in accordance with said preliminary plans and in accordance with final plans and specifications to be prepared and submitted by the consulting engineers, but variations therefrom that do not materially change the location, capacities or overall design of the Project, and that do not require an increase in the total estimated cost of the Project, may be permitted on the authority of the County Agency. Other variations or changes may be made if approved by the County Agency and by resolution of

the governing body of each Municipality and if provisions required by paragraph 5 hereof are made for payment or financing of any resulting increase in the total estimated cost. The estimate of the cost of the Project and the estimate of the period of usefulness thereof as set forth in Exhibit B are approved and adopted.

3. The County Agency shall take or cause to be taken all actions required or necessary, in accordance with Act 342, to procure the issuance and sale of bonds by the County, in one or more series, in whatever aggregate principal amount is necessary to finance that portion of the cost of the Project which is in excess of the cash payments to be made by Troy as provided in paragraph 6 hereof. Such bonds shall be issued in anticipation of, and be payable primarily from, the payments to be made by Bloomfield Township to the County as provided in this contract, and shall be secured secondarily, if so voted by the Board of Commissioners of the County, by a pledge of the full faith and credit of the County, and the said bonds shall be payable in annual maturities the last of which shall be not more than forty years from the date thereof.

4. The County Agency shall proceed to take construction bids for the Project and, subject to the sale and delivery of County bonds and receipt of the cash payments to be made under this contract by Troy, enter into construction contracts with the lowest responsible bidder or bidders, procure from the contractors all necessary and proper bonds, cause the Project to be constructed within a reasonable time, and do all other things required by this contract and the laws of the State of Michigan. The County Agency may, in its sole discretion, retain the services of a third-party engineering firm to perform contract administration of the Project, and payment for such services shall be the responsibility of the Municipalities as part of the cost of the Project as described in paragraph 6 hereof. All certificates for required payments to contractors shall be approved by the consulting engineers before presentation to the County Agency and the latter shall be entitled to rely on such approval in making payments.

5. In the event that it shall become necessary to increase the estimated cost of the Project for any reason, or if the actual cost of the Project shall exceed the estimated cost, whether as the result of variations or changes made in the approved plans or otherwise, then the County Agency shall not be obligated to pay such increased or excess cost unless the governing body of each Municipality shall have adopted a resolution approving such increase or excess and agreeing that the same (or such part thereof as is not available from other sources) shall be defrayed by the issuance of increased or additional bonds in anticipation of increased or additional payments agreed to be made by the Municipalities to the County in the manner hereinafter provided; provided, however, that the adoption of such resolutions by the governing bodies of the Municipalities shall not be required prior to or as a condition precedent to the issuance of additional bonds by the County if the County previously has issued or contracted to sell bonds to pay part of the cost of the Project and the issuance of the additional bonds is necessary (as determined by the County) to pay such increased, additional or excess costs as are essential to completion of the Project according to the plans as last approved prior to the time when the previous bonds were issued or contracted to be sold.

6. The Municipalities shall pay to the County their respective shares of the cost of the Project. The Municipalities hereby acknowledge that, except as may be pledged by the County for payment of bonds as described in paragraph 3 hereof or as may be advanced by the County pursuant to paragraph 13 hereof, no County general funds shall be appropriated or pledged pursuant to this contract or for the Project. The County's role in the Project is strictly limited to that set forth in Act 342, and the Municipalities shall be solely responsible for all administration, finance and construction costs (including attorney fees and all dispute resolution costs), and all costs of operation and maintenance of the Project. The cost of the Project is hereby allocated to the Municipalities in accordance with the percentages and amounts set forth in Exhibit B. That portion of the cost of the Project representing the costs of issuing the bonds, including County administrative costs relating to the bonds (collectively "Issuance Costs"), shall

be paid by Bloomfield Township as hereinafter provided. Troy shall pay its share of the cost of the Project (less Issuance Costs) to the County in cash on the date that the proceeds of the bonds are received by the County from the purchaser thereof. The balance of the cost of the Project (including Issuance Costs) will be defrayed by the issuance of the County bonds as provided in paragraphs 3 and 5 hereof. Bloomfield Township covenants and agrees to pay the principal of and interest on the bonds and all paying agency and transfer fees and other expenses and charges (including the County Agency's administrative expenses) that are payable on account of the bonds (such fees, expenses and charges being herein called "bond service charges"). The Municipalities covenant and agree to pay all costs and expenses relating to lawsuits as described in paragraph 18 hereof and all items of cost described in paragraph 7 hereof. Such payments of Bloomfield Township shall be made to the County in annual installments, which shall be due and payable at least thirty days prior to each interest payment date specified in the County bonds. Such annual installments shall commence on the date that interest (other than capitalized interest) or principal first becomes payable on the bonds, and the aggregate amount of the installments shall be at least sufficient to pay all principal and interest on the bonds, all bond service charges payable on account of the bonds and all other costs described in this paragraph. The County Agency, within thirty days after delivery of the County bonds to the purchaser, shall furnish the treasurer of Bloomfield Township with a complete schedule of the principal of and interest on the bonds, and the County Agency also, at least thirty days before each payment is due, shall advise the treasurer of Bloomfield Township of the amount payable to the County on such date. If Bloomfield Township fails to make any payment to the County when due, the same shall be subject to a penalty of 1% thereof for each month or fraction thereof that such amount remains unpaid after due. Failure of the County Agency to furnish the schedule or give the notice as above required shall not excuse Bloomfield Township from the obligation to make payments when due. The foregoing obligations shall apply to all bonds issued by the County to defray the cost of the Project. Payments shall be made by Bloomfield Township when due whether or not the Project has then been completed or placed in operation.

7. The County Agency is hereby authorized, but not required, to utilize County personnel for the administration of the Project. The Municipalities agree that the costs of contract administration, auditing and financial services shall be part of the cost of the Project for purposes of paragraph 6 hereof, whether such services are provided by County personnel or third parties. In the case of County personnel, the costs attributed to the Project shall include the allocable share of such personnel's salary and fringe benefits to the Project as determined by the County Agency.

8. Bloomfield Township may pay in advance of maturity all or any part of its installment due the County on the bonds by surrendering to the County bonds issued hereunder of a like principal amount maturing in the same calendar year or by paying to the County in cash the principal amount of any County bonds that are subject to redemption prior to maturity, plus all interest thereon to the first date upon which such bonds may be called for redemption, and plus all applicable call premiums and bond service charges, and in such event the County Agency shall call said bonds for redemption at the earliest possible date. The installments or parts thereof so prepaid shall be deemed to be the installments or parts thereof falling due in the same calendar year as the maturity dates of the bonds surrendered or called for redemption.

9. The proceeds of sale of the bonds shall be used solely and only to pay that portion of the cost of the Project allocable to Bloomfield Township, and after completion thereof and payment of all costs in connection therewith, any surplus remaining from the sale of the bonds shall be (i) used to purchase the bonds on the open market or (ii) retained by the County Agency as a reserve for payment of the bond principal and interest maturities next falling due, and in such event the contract obligations of Bloomfield Township in respect to such bonds or such maturities shall be reduced by the principal amount of bonds so purchased or of said reserve, said reduction in case of the purchase of bonds to be applied as to year in accordance with the year of the maturity of the bonds so purchased. Any bonds so purchased shall be cancelled. In the

alternative, such surplus may be used, on request of Bloomfield Township and approval by the Board of Commissioners of the County, to extend, enlarge or improve the System or to acquire and construct additional sewage disposal system improvements and facilities to serve Bloomfield Township.

10. Each Municipality, pursuant to the authorization of Section 5a of Act 342, hereby pledges its full faith and credit for the prompt and timely payment of its obligations expressed in this contract (which obligations, in the case of Troy, are limited to making a single cash payment to the County as provided in paragraph 6 hereof) and, subject to applicable constitutional, statutory and charter tax limitations, each year shall levy a tax in an amount that, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay its obligations under this contract becoming due before the time of the following year's tax collections; provided, however, that if at the time of making its annual tax levy, the Municipalities shall have on hand in cash other funds (or to its credit in the hands of the County), including special assessment funds and sewage disposal system revenues, that have been set aside and pledged or are otherwise available for the payment of such contractual obligations falling due prior to the time of the next tax collection, then the annual tax levy may be reduced by such amount. The governing body of Bloomfield Township each year, at least 90 days prior to the final date provided by law or charter for the making of the annual tax levy, shall submit to the County Agency a written statement setting forth the amount of its obligations to the County that become due and payable under this contract prior to the time of the next following year's tax collections, the amount of the funds that Bloomfield Township has or will have on hand or to its credit in the hands of the County that have been set aside and pledged for payment of said obligations to the County and the amount of the taxes next proposed to be levied for the purpose of raising money to meet such obligations. The County Agency promptly shall review such statement and, if it finds that the proposed tax levy is insufficient, it shall so notify the governing body of Bloomfield Township. The County Agency agrees to use any Bloomfield Township's funds on

hand with the County Agency, to the extent available, to make Bloomfield Township's payments due on this contract as directed by Bloomfield Township. Bloomfield Township hereby covenants and agrees that it will thereupon increase its levy to such extent as may be required by the County Agency.

11. In the event that a Municipality shall fail for any reason to pay to the County Agency at the times herein specified the amounts herein required to be paid, the state treasurer or other official charged with the disbursement of unrestricted state funds returnable to the Municipality pursuant to the Michigan constitution is authorized hereby to withhold sufficient funds to make up any default or deficiency in funds. In the event the County is required to advance any money by reason of its pledge of full faith and credit on the bonds to be issued to finance the acquisition and construction of the Project on account of the delinquency of Bloomfield Township, the County Treasurer shall notify the state treasurer to deduct the amount of money so advanced by the County from any unrestricted moneys in the state treasurer's possession belonging to Bloomfield Township and to pay such amount to the County. In addition to the foregoing, the County shall have all other rights and remedies provided by law to enforce the obligations of the Municipalities to make payments in the manner and at the times required by this contract. It is specifically recognized by Bloomfield Township that the payments required to be made by it pursuant to the terms of this contract are to be pledged for the payment of the principal of and interest on bonds to be issued by the County, and Bloomfield Township covenants and agrees that it will make its required payments to the County promptly and at the times herein specified, without regard as to whether the Project herein contemplated is actually completed or placed in operation; provided, however, that nothing herein contained shall limit the obligation of the County to perform in accordance with the covenants contained herein.

12. No change in the jurisdiction over any territory in either of the Municipalities shall impair in any manner the obligations of this contract or affect the obligations of the

Municipalities hereunder. In the event that all or any part of the territory of either Municipality is incorporated as a new city or village or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to which such territory is annexed shall assume the proper proportionate share of the contractual obligations (including the pledge of full faith and credit) of such Municipality, which proper proportionate share shall be fixed and determined by the County Agency and shall be binding upon all parties concerned unless, within sixty (60) days after such incorporation or annexation becomes effective, the governing body of the municipality into which such territory is incorporated or to which such territory is annexed and the governing body of such Municipality shall by mutual agreement and with the written approval of the County Agency fix and determine such proper proportionate share. The County Agency, prior to making such determination, shall receive a written recommendation as to the proper proportionate share from a committee composed of one representative designated by the governing body of such Municipality, one designated by the governing body of the new municipality or the municipality incorporating or annexing such territory and one independent registered engineer appointed by the County Agency. Each governmental unit shall appoint its representative within fifteen (15) days after being notified to do so by the County Agency and within a like time the County Agency shall appoint the engineer third member. If any such representative (other than the appointee of the County Agency) is not appointed within the time above provided, then the County Agency may proceed without said recommendation. If the committee shall not make the recommendation within forty-five (45) days after its appointment or within any extension thereof by the County Agency, then the County Agency may proceed without such recommendation.

13. The County may advance funds, if approved by resolution adopted by a 2/3 vote of the members-elect of its Board of Commissioners (as required by Section 8 of Act 342) for administrative expenses, including engineering, legal and consulting expenses, incurred by the County Agency in the performance of its duties and powers authorized by Act 342 and for

purposes of obtaining maps, plans, designs, specifications, cost estimates, rights-of-way and permits for the Project. In such event, and to avoid paying interest on the advance, the Municipalities shall, not later than two years after the date of adoption of the resolution of the County Board of Commissioners approving such advance, reimburse the County for their respective shares of the amount of any such advance; provided, however, that (i) the County Board of Commissioners may extend the due date of such reimbursement by resolution adopted by a 2/3 vote of its members-elect and (ii) the respective obligation of each Municipality shall be reduced to the extent that County bonds are issued and the proceeds thereof are used to reimburse the County for such advances. The obligations of the Municipalities to pay the amounts set forth in this paragraph are full faith and credit obligations as described in paragraph 10 hereof. The County shall have all rights and remedies provided by this contract and Act 342 and otherwise pursuant to law to enforce the obligations of the Municipalities described in this paragraph. In the event that either Municipality fails to reimburse the County for an advance made pursuant to this paragraph when due, such Municipality shall pay to the County interest on such unreimbursed amount from the date of such advance to the date of repayment at the interest rate prevailing on six-month United States Treasury Bills on the date of adoption of the resolution of the County Board of Commissioners approving the advance, to be compounded quarterly.

14. If County bonds are not sold to finance the acquisition and construction of any portion of the Project within three years from the date of this contract through no fault of the County or if the Project is abandoned for any reason, the Municipalities shall pay, or reimburse the County for the payment of, all engineering, legal and other costs and expenses incurred by the County Agency in connection with the Project in the percentages set forth in Exhibit B and the Municipalities shall be entitled to all plans, specifications and other engineering data and materials. The provisions of this paragraph may be waived or extended, either before or after the

expiration of the three year period, by resolution of each of the governing bodies of the Municipalities and the Board of Commissioners of the County.

15. After completion of the Project the operation and maintenance of the Project shall be in accordance with applicable agreements between the County and the Municipalities.

16. It is understood and agreed by the parties hereto that the System is to serve the Municipalities and not the individual property owners and users thereof, unless by special arrangement between the County Agency and the Municipalities. The responsibility of requiring connection to and use of the System and/or providing such additional facilities as may be needed shall be that of the Municipality wherein such property is located and such Municipality shall cause to be constructed and maintained, directly or through the County, any such necessary additional facilities. The County shall not be obligated to acquire or construct any facilities other than those designated in paragraph 2 hereof.

17. The County shall have no obligation or responsibility for providing facilities except as herein expressly provided with respect to the acquisition and construction of the Project or as otherwise provided by contract. The Municipalities shall have the authority and the responsibility to provide such other facilities and shall have the right to expand the facilities of the System by constructing or extending sewers or related facilities, connecting the same to the System, and otherwise improving the System. It is expressly agreed, nevertheless, that no such connection shall be made to the System and no improvements, enlargements or extensions thereof shall be made without first securing a permit therefor from the County. Any such permit may be made conditional upon inspection and approval of new construction by the County.

18. The parties hereto agree that the costs and expenses of any lawsuits or Claims (as hereinafter defined) arising directly or indirectly out of this contract or the construction or

financing of the Project, to the extent that such costs and expenses are chargeable against the County or the County Agency, shall be deemed to constitute a part of the cost of the Project and shall be paid by the Municipalities in the same manner as herein provided with respect to other costs of the Project. In the event of such litigation or claims, the County Agency shall consult with the Municipalities and shall retain legal counsel agreeable to the County and the Municipalities to represent the County; provided that if the County and the Municipalities cannot agree as to such representation within a reasonable time, the County Agency shall exercise its discretion as to the retention of such counsel. In this contract, "Claims" means any alleged losses, claims, complaints, demands for relief or damages, liability, penalties, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are imposed on, incurred by, or assessed against the County, County Agency or Municipalities, or for which the County, County Agency or Municipalities may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the State constitution, any federal or State statute, rule, regulation, or any alleged violation of federal or State common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and or whether commenced or threatened. This paragraph shall not apply to a lawsuit instituted by either of the Municipalities to enforce their respective rights under this contract.

19. All powers, duties and functions vested by this contract in the County shall be exercised and performed by the County Agency, for and on behalf of the County, unless otherwise provided by law or in this contract.

20. The parties hereto recognize that the holders from time to time of the bonds to be issued by the County under the provisions of Act 342, and secured by the full faith and credit

pledge of Bloomfield Township to the payment of the principal of and interest on the bonds as set forth in this contract, will have contractual rights in this contract, and it is therefore covenanted and agreed that so long as any of said bonds shall remain outstanding and unpaid, the provisions of this contract shall not be subject to any alteration or revision that would affect adversely either the security of the bonds or the prompt payment of principal or interest thereon. The right to make changes in this contract, by amendment, supplemental contract or otherwise is nevertheless reserved insofar as the same do not have such adverse effect. The parties hereto further covenant and agree that they each will comply with their respective duties and obligations under the terms of this contract promptly, at the times and in the manner herein set forth, and will not suffer to be done any act that would impair in any way the contract of said bonds, the security therefor or the prompt payment of principal and interest thereon. It is declared hereby that the terms of this contract and of any amendatory or supplemental contract and any contract entered into pursuant hereto, insofar as they pertain to said bonds or to the payment of the security thereof, shall be deemed to be for the benefit of the holders of said bonds.

21. In the event that any one or more of the provisions of this contract for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. This contract shall become effective after its execution by each party hereto and the expiration of 45 days after the date of publication of the notice required by Section 5b of Act 342; provided, however, that if, within the 45-day period, a proper petition is filed with the Clerk of either Municipality in accordance with the provisions of Section 5b of Act 342, this contract shall not become effective until approved by the vote of a majority of the electors residing in such Municipality qualified to vote and voting thereon at a general or special election. This contract shall terminate forty (40) years from its date or on such earlier date when the

Municipalities are not in default hereunder and the principal, interest and bond service charges on the bonds issued as hereinabove described and all other amounts owed by the Municipalities to the County hereunder are fully paid and discharged. This contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Nothing herein contained, however, shall require the County to finance the Project if it is unable to sell the bonds to finance the same. This contract may be executed in any number of counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed and delivered by the undersigned, being duly authorized by their respective governing bodies.

COUNTY OF OAKLAND

Executed on _____, 2015

By: _____
County Water Resources Commissioner
(County Agency)

CHARTER TOWNSHIP OF BLOOMFIELD

By: _____
Supervisor

Executed on _____, 2015

And: _____
Clerk

CITY OF TROY

By: _____
Mayor

Executed on _____, 2015

And: _____
Clerk

Troy 9007-411 1459966v2

EXHIBIT "A"
EVERGREEN FARMINGTON SEWAGE DISPOSAL SYSTEM
NORTH EVERGREEN INTERCEPTOR
WATTLES ROAD STORAGE PROJECT DESCRIPTION (B3)

The Evergreen Farmington Sewage Disposal System (EFSDS) North Evergreen Interceptor (NEI) Program will consist of design and construction of three (3) projects as described in the NEI SRF Project Plan. The NEI Projects are required per an administrative Consent Order (ACO) issued by the Michigan Department of Environmental Quality. The NEI projects will provide linear pipe storage, parallel relief and storage and sewer system hydraulic improvements for the EFSDS communities. These improvements are needed to store excess wet weather sanitary flows that would have otherwise become a sanitary sewer overflow (SSO) due to limited hydraulic capacity in the existing Evergreen Interceptor.

The Wattles Road Storage project consists of approximately 3,500 feet of new 60" sanitary sewer to provide 0.51 MG of storage and will be located along Wattles Road. It will be placed in Wattles Road both east and west of Adams Road (see Figure No. 1).

This NEI project is serving both Bloomfield Township and City of Troy. The project costs and community cost allocations are provided in Exhibit B.

**Evergreen Farmington Sewage Disposal System
North Evergreen Interceptor
Wattles Road Linear Storage (B3)**

1) Contracted Services:	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Cost</u>
Wattles Road Linear Storage	LS	1	\$ 3,011,000	\$ 3,011,000
			Sub-Total	\$ 3,011,000
2) Project Development				
Consulting Engineering:				
Design				\$ 236,500
Construction				\$ 270,990
Soil Borings and Material Testing				\$ 60,220
			Sub-Total	\$ 568,000
3) Contracted Services: Project Financing (1)				
Bond Counsel				\$ 7,000
Financial Consultant				\$ 4,000
Official Statement				\$ 2,000
Bond Rating Fees				\$ 7,000
Bond Discount (1 1/2%)				\$ 16,000
			Sub-Total	\$ 36,000
4) County Services:				
Administration				\$ 40,100
Engineering				\$ 150,550
Right-Of-Way				\$ 30,110
Construction Inspection				\$ 240,880
Surveying				\$ 90,330
			Sub-Total	\$ 552,000
5) Contingency				
				\$ 463,000
Estimate of Probable Project Cost				\$ 4,630,000

6) CVT Shares/Allocation:

Bloomfield Twp.	21.8%	\$ 1,037,492
Troy	78.2%	\$ 3,592,508
Total	100.0%	\$ 4,630,000

Note (1) - Project Financing Fees are added into Bloomfield Townships Costs only. The City of Troy is paying cash for their share of the project.

I hereby certify the period of usefulness of these facilities to be forty (40) years and upwards.

By: Thomas G. Maxwell
Thomas G. Maxwell, P.E.
Project Engineer

Date: March 30, 2015

Exhibit B

CITY OF TROY
OAKLAND COUNTY, MICHIGAN

NOTICE OF ADOPTION OF RESOLUTION BY CITY COUNCIL
AUTHORIZING EXECUTION OF A CONTRACT PLEDGING
THE FULL FAITH AND CREDIT OF THE
CITY AND NOTICE OF RIGHT OF REFERENDUM
NEI HYDRAULIC IMPROVEMENTS PROJECT

TO ALL ELECTORS AND TAXPAYERS OF
THE CITY OF TROY AND OTHER
INTERESTED PERSONS:

NOTICE IS HEREBY GIVEN, that the City Council of the City of Troy has adopted a resolution approving and authorizing the execution and delivery of a contract between the County of Oakland (hereinafter sometimes referred to as the "County") and the City of Troy, the City of Bloomfield Hills and the Charter Township of Bloomfield (collectively, the "Municipalities") pursuant to the provisions of Act 342, Public Acts of Michigan, 1939, as amended, relative to the acquisition, construction and financing of improvements and facilities comprising the Evergreen Farmington Sewage Disposal System North Evergreen Interceptor NEI Hydraulic Improvements as more specifically set forth in the contract (the "Project").

PURPOSE OF CONTRACT

The contract has for its purpose and provides for (a) the acquisition and construction of the Project at a total estimated cost of \$1,016,000; (b) the increase of the estimated cost under certain circumstances; (c) the payment in cash from available funds by the City of Bloomfield Hills in the amount of \$30,380 and by the City of Troy in the amount of \$699,720 to defray part of the cost of acquiring and constructing the Project; (d) the issuance of County bonds in one or more series in the estimated aggregate amount of \$285,900 to defray the remaining cost of acquiring and constructing the Project; and (e) the pledge of the full faith and credit of the

Charter Township of Bloomfield to the payment of the amounts due the County as specified in the Contract that shall be sufficient to pay the principal of and interest on such bonds. The amount of cash payments to be made by the City of Bloomfield Hills and the City of Troy and the amount of bonds to be issued by the County may be increased if the cost of the Project exceeds the current estimate.

**CITY OF TROY'S CONTRACTUAL
OBLIGATION AND SOURCE OF PAYMENT**

The City of Troy is obligated to pay its share of the cost of the Project in cash at the time the aforementioned bonds are to be issued by the County of Oakland. Although the City intends to make the aforementioned cash payment in the present estimated amount of \$699,720 from available City funds, the full faith and credit of the City of Troy have been pledged in the contract for the making of such payment as the same shall become due. Any taxes levied by the City for the payment of its obligation to the County will be subject to applicable charter, statutory and constitutional tax limitations.

RIGHT TO PETITION FOR REFERENDUM ON CONTRACT

This notice is given by order of the City Council to and for the benefit of the electors and taxpayers residing in the City of Troy and any other interested persons in order to inform them of their right to petition for a referendum upon the contract. The contract will not become effective until the expiration of 45 days after the publication of this notice. If, within said 45-day period, a petition signed by 10% or 15,000, whichever is the lesser, of the registered electors residing within the City of Troy is filed with the City Clerk requesting a referendum upon the contract, the contract will not become effective until approved by a majority of the electors of the City of Troy qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the subject matter of the contract and this notice, including the description and location of the Project, may be secured at the office of the City Clerk where a copy of the contract is available for examination during normal business hours.

This notice is given pursuant to the provisions of Section 5b of Act 342, Public Acts of Michigan, 1939, as amended.

Aileen Bittner, Clerk
City of Troy

BLOOMFIELD 9007-411 1460162v1

**EVERGREEN FARMINGTON SEWAGE DISPOSAL SYSTEMS
NORTH EVERGREEN INTERCEPTOR
NEI HYDRAULIC IMPROVEMENTS CONTRACT**

THIS CONTRACT, made and entered into as of the 1st day of May, 2015, by and among the COUNTY OF OAKLAND, a county corporation in the State of Michigan (hereinafter sometimes referred to as the "County"), by and through its Water Resources Commissioner, County Agency, and the CHARTER TOWNSHIP OF BLOOMFIELD, a Michigan charter township ("Bloomfield Township"), the CITY OF BLOOMFIELD HILLS, a Michigan home rule city ("Bloomfield Hills"), and the CITY OF TROY, a Michigan home rule city ("Troy"), all located in the County of Oakland, State of Michigan, (Bloomfield Township, Bloomfield Hills and Troy are hereinafter sometimes referred to as the "Municipalities" or individually, a "Municipality").

WITNESSETH:

WHEREAS, pursuant to Act No. 342, Public Acts of Michigan, 1939, as amended (hereinafter sometimes referred to as "Act 342"), the Board of Commissioners of the County, by Resolution No. 7674, adopted September 2, 1976, authorized and directed that there be established by consolidation and merger a county system of sewage disposal improvements and services to serve the Municipalities and other municipalities in the County, said system to be known as the "Evergreen and Farmington Sewage Disposal Systems" (hereinafter sometimes referred to as the "System"), and designated the Oakland County Drain Commissioner (now the Oakland County Water Resources Commissioner) as the county agency for the System with all powers and duties with respect thereto as are provided by Act 342 (said Water Resources Commissioner being hereinafter sometimes referred to as the "County Agency"); and

WHEREAS, under and subject to the terms of Act 342, the County is authorized, through the County Agency, to acquire and construct the sewage disposal facilities hereinafter described as constituting the project as part of the System (the "Project"), the County and the Municipalities are authorized to enter into a contract, as hereinafter provided, for the acquisition and construction of the Project by the County and for financing part of the cost thereof by Bloomfield Hills and Troy in cash from available funds and for the payment of the remaining cost thereof by the issuance of bonds by the County secured by the pledge of the full faith and credit of Bloomfield Township to pay such cost with interest to the County in installments extending over a period not exceeding forty (40) years, and the County is authorized to issue such bonds and, if authorized by majority vote of the members-elect of its Board of Commissioners, to pledge its full faith and credit for the payment of such bonds and the interest thereon; and

WHEREAS, there is an urgent need of such sewage disposal facilities to the Municipalities in order to promote the health and welfare of the residents thereof, which improvements would likewise benefit the County and its residents, and the parties hereto have concluded that such improvements can be provided and financed most economically and efficiently by the County through the exercise of the powers conferred by Act 342, and especially sections 5a, 5b and 5c thereof; and

WHEREAS, preliminary plans for the Project and estimates of the cost and period of usefulness thereof have been prepared, all of which have been submitted to and approved by the Board of Commissioners of the County and the governing bodies of the Municipalities and placed on file with said Board of Commissioners in the office of the County Agency, said estimates being set forth in Exhibit B hereunto attached; and

WHEREAS, it is proposed that the cost of the Project be financed in whole or in part by cash payments to be made by Bloomfield Hills and Troy and the issuance of one or more series of County bonds; and

WHEREAS, in order to provide for the acquisition and construction of the Project by the County and the financing of all or part of the cost thereof by cash payments and the issuance of County bonds, and for other related matters, it is necessary for the parties hereto to enter into this contract.

THEREFORE, IN CONSIDERATION OF THE PREMISES AND THE COVENANTS OF EACH OTHER, THE PARTIES HERETO AGREE as follows:

1. The parties hereto approve and agree to the acquisition, construction and financing of the Project as herein provided, under and pursuant to Act 342. The Municipalities by way of compliance with Section 29, Article VII, Michigan Constitution of 1963, consent and agree to the establishment and location of the Project within their corporate boundaries and to the use by the County of their streets, highways, alleys, lands, rights-of-way or other public places for the purpose and facilities of the Project and any improvements, enlargements or extensions thereof, and the Municipalities further agree that, in order to evidence and effectuate the foregoing agreement and consent, they will execute and deliver to the County such grants of easement, right-of-way, license, permit or consent as may be requested by the County.

2. The Project shall consist of the sewage disposal system facilities as described and specified in the preliminary plans set forth in Exhibit A, which is hereunto attached and is made a part hereof, and which preliminary plans are on file with the County Agency and are approved and adopted. The Project shall be acquired and constructed substantially in accordance with said preliminary plans and in accordance with final plans and specifications to be prepared and

submitted by the consulting engineers, but variations therefrom that do not materially change the location, capacities or overall design of the Project, and that do not require an increase in the total estimated cost of the Project, may be permitted on the authority of the County Agency. Other variations or changes may be made if approved by the County Agency and by resolution of the governing body of each Municipality and if provisions required by paragraph 5 hereof are made for payment or financing of any resulting increase in the total estimated cost. The estimate of the cost of the Project and the estimate of the period of usefulness thereof as set forth in Exhibit B are approved and adopted.

3. The County Agency shall take or cause to be taken all actions required or necessary, in accordance with Act 342, to procure the issuance and sale of bonds by the County, in one or more series, in whatever aggregate principal amount is necessary to finance that portion of the cost of the Project which is in excess of the cash payments to be made by Bloomfield Hills and Troy as provided in paragraph 6 hereof. Such bonds shall be issued in anticipation of, and be payable primarily from, the payments to be made by Bloomfield Township to the County as provided in this contract, and shall be secured secondarily, if so voted by the Board of Commissioners of the County, by a pledge of the full faith and credit of the County, and the said bonds shall be payable in annual maturities the last of which shall be not more than forty years from the date thereof.

4. The County Agency shall proceed to take construction bids for the Project and, subject to the sale and delivery of County bonds and receipt of the cash payments to be made under this contract by Bloomfield Hills and Troy, enter into construction contracts with the lowest responsible bidder or bidders, procure from the contractors all necessary and proper bonds, cause the Project to be constructed within a reasonable time, and do all other things required by this contract and the laws of the State of Michigan. The County Agency may, in its sole discretion, retain the services of a third-party engineering firm to perform contract

administration of the Project, and payment for such services shall be the responsibility of the Municipalities as part of the cost of the Project as described in paragraph 6 hereof. All certificates for required payments to contractors shall be approved by the consulting engineers before presentation to the County Agency and the latter shall be entitled to rely on such approval in making payments.

5. In the event that it shall become necessary to increase the estimated cost of the Project for any reason, or if the actual cost of the Project shall exceed the estimated cost, whether as the result of variations or changes made in the approved plans or otherwise, then the County Agency shall not be obligated to pay such increased or excess cost unless the governing body of each Municipality shall have adopted a resolution approving such increase or excess and agreeing that the same (or such part thereof as is not available from other sources) shall be defrayed by the issuance of increased or additional bonds in anticipation of increased or additional payments agreed to be made by the Municipalities to the County in the manner hereinafter provided; provided, however, that the adoption of such resolutions by the governing bodies of the Municipalities shall not be required prior to or as a condition precedent to the issuance of additional bonds by the County if the County previously has issued or contracted to sell bonds to pay part of the cost of the Project and the issuance of the additional bonds is necessary (as determined by the County) to pay such increased, additional or excess costs as are essential to completion of the Project according to the plans as last approved prior to the time when the previous bonds were issued or contracted to be sold.

6. The Municipalities shall pay to the County their respective shares of the cost of the Project. The Municipalities hereby acknowledge that, except as may be pledged by the County for payment of bonds as described in paragraph 3 hereof or as may be advanced by the County pursuant to paragraph 13 hereof, no County general funds shall be appropriated or pledged pursuant to this contract or for the Project. The County's role in the Project is strictly

limited to that set forth in Act 342, and the Municipalities shall be solely responsible for all administration, finance and construction costs (including attorney fees and all dispute resolution costs), and all costs of operation and maintenance of the Project. The cost of the Project is hereby allocated to the Municipalities in accordance with the percentages and amounts set forth in Exhibit B. That portion of the cost of the Project representing the costs of issuing the bonds, including County administrative costs relating to the bonds (collectively "Issuance Costs"), shall be paid by Bloomfield Township as hereinafter provided. Bloomfield Hills and Troy shall pay their respective shares of the cost of the Project (less Issuance Costs) to the County in cash on the date that the proceeds of the bonds are received by the County from the purchaser thereof. The balance of the cost of the Project (including Issuance Costs) will be defrayed by the issuance of the County bonds as provided in paragraphs 3 and 5 hereof. Bloomfield Township covenants and agrees to pay the principal of and interest on the bonds and all paying agency and transfer fees and other expenses and charges (including the County Agency's administrative expenses) that are payable on account of the bonds (such fees, expenses and charges being herein called "bond service charges"). The Municipalities covenant and agree to pay all costs and expenses relating to lawsuits as described in paragraph 18 hereof and all items of cost described in paragraph 7 hereof. Such payments of Bloomfield Township shall be made to the County in annual installments, which shall be due and payable at least thirty days prior to each interest payment date specified in the County bonds. Such annual installments shall commence on the date that interest (other than capitalized interest) or principal first becomes payable on the bonds, and the aggregate amount of the installments shall be at least sufficient to pay all principal and interest on the bonds, all bond service charges payable on account of the bonds and all other costs described in this paragraph. The County Agency, within thirty days after delivery of the County bonds to the purchaser, shall furnish the treasurer of Bloomfield Township with a complete schedule of the principal of and interest on the bonds, and the County Agency also, at least thirty days before each payment is due, shall advise the treasurer of Bloomfield Township of the amount payable to the County on such date. If Bloomfield Township fails to make any

payment to the County when due, the same shall be subject to a penalty of 1% thereof for each month or fraction thereof that such amount remains unpaid after due. Failure of the County Agency to furnish the schedule or give the notice as above required shall not excuse Bloomfield Township from the obligation to make payments when due. The foregoing obligations shall apply to all bonds issued by the County to defray the cost of the Project. Payments shall be made by Bloomfield Township when due whether or not the Project has then been completed or placed in operation.

7. The County Agency is hereby authorized, but not required, to utilize County personnel for the administration of the Project. The Municipalities agree that the costs of contract administration, auditing and financial services shall be part of the cost of the Project for purposes of paragraph 6 hereof, whether such services are provided by County personnel or third parties. In the case of County personnel, the costs attributed to the Project shall include the allocable share of such personnel's salary and fringe benefits to the Project as determined by the County Agency.

8. Bloomfield Township may pay in advance of maturity all or any part of its installment due the County on the bonds by surrendering to the County bonds issued hereunder of a like principal amount maturing in the same calendar year or by paying to the County in cash the principal amount of any County bonds that are subject to redemption prior to maturity, plus all interest thereon to the first date upon which such bonds may be called for redemption, and plus all applicable call premiums and bond service charges, and in such event the County Agency shall call said bonds for redemption at the earliest possible date. The installments or parts thereof so prepaid shall be deemed to be the installments or parts thereof falling due in the same calendar year as the maturity dates of the bonds surrendered or called for redemption.

9. The proceeds of sale of the bonds shall be used solely and only to pay that portion of the cost of the Project allocable to Bloomfield Township, and after completion thereof and payment of all costs in connection therewith, any surplus remaining from the sale of the bonds shall be (i) used to purchase the bonds on the open market or (ii) retained by the County Agency as a reserve for payment of the bond principal and interest maturities next falling due, and in such event the contract obligations of Bloomfield Township in respect to such bonds or such maturities shall be reduced by the principal amount of bonds so purchased or of said reserve, said reduction in case of the purchase of bonds to be applied as to year in accordance with the year of the maturity of the bonds so purchased. Any bonds so purchased shall be cancelled. In the alternative, such surplus may be used, on request of Bloomfield Township and approval by the Board of Commissioners of the County, to extend, enlarge or improve the System or to acquire and construct additional sewage disposal system improvements and facilities to serve Bloomfield Township.

10. Each Municipality, pursuant to the authorization of Section 5a of Act 342, hereby pledges its full faith and credit for the prompt and timely payment of its obligations expressed in this contract (which obligations, in the case of Bloomfield Hills and Troy, are limited to making a single cash payment to the County as provided in paragraph 6 hereof) and, subject to applicable constitutional, statutory and charter tax limitations, each year shall levy a tax in an amount that, taking into consideration estimated delinquencies in tax collections, will be sufficient to pay its obligations under this contract becoming due before the time of the following year's tax collections; provided, however, that if at the time of making its annual tax levy, the Municipality shall have on hand in cash other funds (or to its credit in the hands of the County), including special assessment funds and sewage disposal system revenues, that have been set aside and pledged or are otherwise available for the payment of such contractual obligations falling due prior to the time of the next tax collection, then the annual tax levy may be reduced by such amount. The governing body of Bloomfield Township each year, at least 90 days prior to the

final date provided by law or charter for the making of the annual tax levy, shall submit to the County Agency a written statement setting forth the amount of its obligations to the County that become due and payable under this contract prior to the time of the next following year's tax collections, the amount of the funds that Bloomfield Township has or will have on hand or to its credit in the hands of the County that have been set aside and pledged for payment of said obligations to the County and the amount of the taxes next proposed to be levied for the purpose of raising money to meet such obligations. The County Agency promptly shall review such statement and, if it finds that the proposed tax levy is insufficient, it shall so notify the governing body of Bloomfield Township. The County Agency agrees to use any Bloomfield Township's funds on hand with the County Agency, to the extent available, to make Bloomfield Township's payments due on this contract as directed by Bloomfield Township. Bloomfield Township hereby covenants and agrees that it will thereupon increase its levy to such extent as may be required by the County Agency.

11. In the event that a Municipality shall fail for any reason to pay to the County Agency at the times herein specified the amounts herein required to be paid, the state treasurer or other official charged with the disbursement of unrestricted state funds returnable to the Municipality pursuant to the Michigan constitution is authorized hereby to withhold sufficient funds to make up any default or deficiency in funds. In the event the County is required to advance any money by reason of its pledge of full faith and credit on the bonds to be issued to finance the acquisition and construction of the Project on account of the delinquency of Bloomfield Township, the County Treasurer shall notify the state treasurer to deduct the amount of money so advanced by the County from any unrestricted moneys in the state treasurer's possession belonging to Bloomfield Township and to pay such amount to the County. In addition to the foregoing, the County shall have all other rights and remedies provided by law to enforce the obligations of the Municipalities to make payments in the manner and at the times required by this contract. It is specifically recognized by Bloomfield Township that the

payments required to be made by it pursuant to the terms of this contract are to be pledged for the payment of the principal of and interest on bonds to be issued by the County, and Bloomfield Township covenants and agrees that it will make its required payments to the County promptly and at the times herein specified, without regard as to whether the Project herein contemplated is actually completed or placed in operation; provided, however, that nothing herein contained shall limit the obligation of the County to perform in accordance with the covenants contained herein.

12. No change in the jurisdiction over any territory in any of the Municipalities shall impair in any manner the obligations of this contract or affect the obligations of the Municipalities hereunder. In the event that all or any part of the territory of any Municipality is incorporated as a new city or village or is annexed to or becomes a part of the territory of another municipality, the municipality into which such territory is incorporated or to which such territory is annexed shall assume the proper proportionate share of the contractual obligations (including the pledge of full faith and credit) of such Municipality, which proper proportionate share shall be fixed and determined by the County Agency and shall be binding upon all parties concerned unless, within sixty (60) days after such incorporation or annexation becomes effective, the governing body of the municipality into which such territory is incorporated or to which such territory is annexed and the governing body of such Municipality shall by mutual agreement and with the written approval of the County Agency fix and determine such proper proportionate share. The County Agency, prior to making such determination, shall receive a written recommendation as to the proper proportionate share from a committee composed of one representative designated by the governing body of such Municipality, one designated by the governing body of the new municipality or the municipality incorporating or annexing such territory and one independent registered engineer appointed by the County Agency. Each governmental unit shall appoint its representative within fifteen (15) days after being notified to do so by the County Agency and within a like time the County Agency shall appoint the engineer third member. If any such representative (other than the appointee of the County Agency) is not

appointed within the time above provided, then the County Agency may proceed without said recommendation. If the committee shall not make the recommendation within forty-five (45) days after its appointment or within any extension thereof by the County Agency, then the County Agency may proceed without such recommendation.

13. The County may advance funds, if approved by resolution adopted by a 2/3 vote of the members-elect of its Board of Commissioners (as required by Section 8 of Act 342) for administrative expenses, including engineering, legal and consulting expenses, incurred by the County Agency in the performance of its duties and powers authorized by Act 342 and for purposes of obtaining maps, plans, designs, specifications, cost estimates, rights-of-way and permits for the Project. In such event, and to avoid paying interest on the advance, the Municipalities shall, not later than two years after the date of adoption of the resolution of the County Board of Commissioners approving such advance, reimburse the County for their respective shares of the amount of any such advance; provided, however, that (i) the County Board of Commissioners may extend the due date of such reimbursement by resolution adopted by a 2/3 vote of its members-elect and (ii) the respective obligation of each Municipality shall be reduced to the extent that County bonds are issued and the proceeds thereof are used to reimburse the County for such advances. The obligations of the Municipalities to pay the amounts set forth in this paragraph are full faith and credit obligations as described in paragraph 10 hereof. The County shall have all rights and remedies provided by this contract and Act 342 and otherwise pursuant to law to enforce the obligations of the Municipalities described in this paragraph. In the event that any Municipality fails to reimburse the County for an advance made pursuant to this paragraph when due, such Municipality shall pay to the County interest on such unreimbursed amount from the date of such advance to the date of repayment at the interest rate prevailing on six-month United States Treasury Bills on the date of adoption of the resolution of the County Board of Commissioners approving the advance, to be compounded quarterly.

14. If County bonds are not sold to finance the acquisition and construction of any portion of the Project within three years from the date of this contract through no fault of the County or if the Project is abandoned for any reason, the Municipalities shall pay, or reimburse the County for the payment of, all engineering, legal and other costs and expenses incurred by the County Agency in connection with the Project in the percentages set forth in Exhibit B and the Municipalities shall be entitled to all plans, specifications and other engineering data and materials. The provisions of this paragraph may be waived or extended, either before or after the expiration of the three year period, by resolution of each of the governing bodies of the Municipalities and the Board of Commissioners of the County.

15. After completion of the Project the operation and maintenance of the Project shall be in accordance with applicable agreements between the County and the Municipalities.

16. It is understood and agreed by the parties hereto that the System is to serve the Municipalities and not the individual property owners and users thereof, unless by special arrangement between the County Agency and the Municipalities. The responsibility of requiring connection to and use of the System and/or providing such additional facilities as may be needed shall be that of the Municipality wherein such property is located and such Municipality shall cause to be constructed and maintained, directly or through the County, any such necessary additional facilities. The County shall not be obligated to acquire or construct any facilities other than those designated in paragraph 2 hereof.

17. The County shall have no obligation or responsibility for providing facilities except as herein expressly provided with respect to the acquisition and construction of the Project or as otherwise provided by contract. The Municipalities shall have the authority and the responsibility to provide such other facilities and shall have the right to expand the facilities of the System by constructing or extending sewers or related facilities, connecting the same to the

System, and otherwise improving the System. It is expressly agreed, nevertheless, that no such connection shall be made to the System and no improvements, enlargements or extensions thereof shall be made without first securing a permit therefor from the County. Any such permit may be made conditional upon inspection and approval of new construction by the County.

18. The parties hereto agree that the costs and expenses of any lawsuits or Claims (as hereinafter defined) arising directly or indirectly out of this contract or the construction or financing of the Project, to the extent that such costs and expenses are chargeable against the County or the County Agency, shall be deemed to constitute a part of the cost of the Project and shall be paid by the Municipalities in the same manner as herein provided with respect to other costs of the Project. In the event of such litigation or claims, the County Agency shall consult with the Municipalities and shall retain legal counsel agreeable to the County and the Municipalities to represent the County; provided that if the County and the Municipalities cannot agree as to such representation within a reasonable time, the County Agency shall exercise its discretion as to the retention of such counsel. In this contract, "Claims" means any alleged losses, claims, complaints, demands for relief or damages, liability, penalties, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are imposed on, incurred by, or assessed against the County, County Agency or Municipalities, or for which the County, County Agency or Municipalities may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the State constitution, any federal or State statute, rule, regulation, or any alleged violation of federal or State common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened. This paragraph shall not apply to a lawsuit instituted by any of the Municipalities to enforce their respective rights under this contract.

19. All powers, duties and functions vested by this contract in the County shall be exercised and performed by the County Agency, for and on behalf of the County, unless otherwise provided by law or in this contract.

20. The parties hereto recognize that the holders from time to time of the bonds to be issued by the County under the provisions of Act 342, and secured by the full faith and credit pledge of Bloomfield Township to the payment of the principal of and interest on the bonds as set forth in this contract, will have contractual rights in this contract, and it is therefore covenanted and agreed that so long as any of said bonds shall remain outstanding and unpaid, the provisions of this contract shall not be subject to any alteration or revision that would affect adversely either the security of the bonds or the prompt payment of principal or interest thereon. The right to make changes in this contract, by amendment, supplemental contract or otherwise is nevertheless reserved insofar as the same do not have such adverse effect. The parties hereto further covenant and agree that they each will comply with their respective duties and obligations under the terms of this contract promptly, at the times and in the manner herein set forth, and will not suffer to be done any act that would impair in any way the contract of said bonds, the security therefor or the prompt payment of principal and interest thereon. It is declared hereby that the terms of this contract and of any amendatory or supplemental contract and any contract entered into pursuant hereto, insofar as they pertain to said bonds or to the payment of the security thereof, shall be deemed to be for the benefit of the holders of said bonds.

21. In the event that any one or more of the provisions of this contract for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, but this contract shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. This contract shall become effective after its execution by each party hereto and the expiration of 45 days after the date of publication of the notice required by Section 5b of Act 342; provided, however, that if, within the 45-day period, a proper petition is filed with the Clerk of any Municipality in accordance with the provisions of Section 5b of Act 342, this contract shall not become effective until approved by the vote of a majority of the electors residing in such Municipality qualified to vote and voting thereon at a general or special election. This contract shall terminate forty (40) years from its date or on such earlier date when the Municipalities are not in default hereunder and the principal, interest and bond service charges on the bonds issued as hereinabove described and all other amounts owed by the Municipalities to the County hereunder are fully paid and discharged. This contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Nothing herein contained, however, shall require the County to finance the Project if it is unable to sell the bonds to finance the same. This contract may be executed in any number of counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed and delivered by the undersigned, being duly authorized by their respective governing bodies.

COUNTY OF OAKLAND

Executed on _____, 2015

By: _____
County Water Resources Commissioner
(County Agency)

CHARTER TOWNSHIP OF BLOOMFIELD

By: _____
Supervisor

Executed on _____, 2015

And: _____
Clerk

CITY OF BLOOMFIELD HILLS

By: _____
Mayor

Executed on _____, 2015

And: _____
Clerk

CITY OF TROY

By: _____
Mayor

Executed on _____, 2015

And: _____
Clerk

BLOOMFIELD 9007-411 1460078v2

EXHIBIT "A"
EVERGREEN FARMINGTON SEWAGE DISPOSAL SYSTEM
NORTH EVERGREEN INTERCEPTOR
NORTH EVERGREEN HYDRAULIC IMPROVEMENTS PROJECT DESCRIPTION (B4)

The Evergreen Farmington Sewage Disposal System (EFSDS) North Evergreen Interceptor (NEI) Program will consist of design and construction of three (3) projects as described in the NEI SRF Project Plan. The NEI Projects are required per an administrative Consent Order (ACO) issued by the Michigan Department of Environmental Quality (MDEQ). The NEI projects will provide linear pipe storage, parallel relief and storage and sewer system hydraulic improvements for the EFSDS communities. These improvements are needed to store excess wet weather sanitary flows that would have otherwise become a sanitary sewer overflow (SSO) due to limited hydraulic capacity in the existing Evergreen Interceptor. These projects will be designed and sized to address SSO events per the MDEQ's ACO (AFO-SW08-006) dated March 24, 2009.

The NEI Hydraulic Improvements consists of hydraulic improvements at various locations to the existing interceptor system (see Figure No. 1). The hydraulic improvements consist of creating full height flow benches at sixteen (16) manholes, rehab of existing sewer crossing under Woodward Avenue and re-alignment of existing interceptor to improve hydraulic characteristics of the system.

This NEI project is serving Bloomfield Hills, Bloomfield Township and City of Troy. The project costs and community cost allocations are provided in Exhibit B.

**Evergreen Farmington Sewage Disposal System
North Evergreen Interceptor
NEI Hydraulic Improvements (B4)**

1) Contracted Services: Troy Arm Hydraulic Improvements	Unit	Qty	Unit Price	Cost
	LS	1	\$ 646,000	\$ 646,000
			Sub-Total	\$ 646,000
2) Project Development Consulting Engineering: Design Construction Soil Borings and Material Testing				\$ 35,000 \$ 58,140 \$ 12,920
			Sub-Total	\$ 106,000
3) Contracted Services: Project Financing (1) Bond Counsel Financial Consultant Official Statement Bond Rating Fees Bond Discount (1 1/2%)				\$ 7,000 \$ 4,000 \$ 2,000 \$ 7,000 \$ 16,000
			Sub-Total	\$ 36,000
4) County Services: Administration Engineering Right-Of-Way Construction Inspection Surveying				\$ 16,500 \$ 32,300 \$ 6,460 \$ 51,680 \$ 19,380
			Sub-Total	\$ 126,000
5) Contingency				\$ 102,000
			Estimate of Probable Project Cost \$ 1,016,000	

6) **CVT Shares/Allocation:**

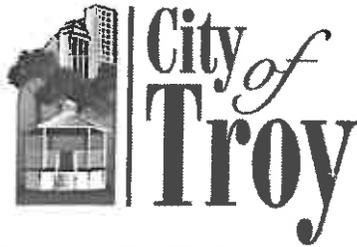
Bloomfield Hills	3.1%	\$ 30,380
Bloomfield Twp.	25.5%	\$ 285,900
Troy	71.4%	\$ 699,720
Total	100.0%	\$ 1,016,000

Note (1) - Project Financing Fees are added into Bloomfield Townships Costs only. The other communities are paying cash for their share of the project.

I hereby certify the period of usefulness of these facilities to be forty (40) years and upwards.

By: *Thomas G. Maxwell*
Thomas G. Maxwell, P.E.
Project Engineer

Date: March 30, 2015



COUNCIL REPORT

February 24, 2015

TO: Honorable Mayor and City Council

FROM: Brian Kischnick, City Manager
Mark Miller, Director of Economic and Community Development
Tim Richnak, Public Works Director
Steven J. Vandette, City Engineer/Project Manager

SUBJECT: Evergreen Farmington Sewage Disposal System – Contracts for Improvements to Meet the Goals of the Long Term Corrective Action Plan (LTCAP)

There will be several construction agreements with the Oakland County Water Resources Commissioner (WRC) coming to City Council sometime in April. These agreements will allow for the construction of various improvements within the Evergreen Farmington Sewage District that are designed to eliminate sanitary sewer overflows to the Rouge River during a 10-year storm event, as required by the Michigan Department of Environmental Quality (MDEQ).

These overflows are well documented and over the years have been the focus of numerous studies, plans and projects, which were carried out under the City's and WRC's Short Term Corrective Action Plans (STCAP). While the City's local improvement projects, including several grant assisted manhole and sewer rehabilitation programs, were proven effective at reducing peak sewer flows, thereby reducing the frequency of overflows, they alone were not sufficient. Various studies under the WRC's LTCAP have identified several intrinsic abnormalities with the North Evergreen Interceptor itself that can only be corrected by major reconstruction and strategic improvements designed to reduce peak flows and improve the hydraulic characteristics of the sewer.

Definition of Problem

High wet weather flows in the Evergreen/Farmington interceptor pipe in Troy necessitates relief pumping from the interceptor to the Rouge River by Troy DPW. This pumping is classified as a sanitary sewer overflow (SSO). The City performs this work in order to protect adjacent properties from basement flooding. Since 2005 there have been 11 rain events during which the City has implemented relief pumping. The City is bound by its LTCAP with the MDEQ to eliminate this pumping (SSO) by the end of 2017.

Project Descriptions & Locations

There are three projects included within the scope of the agreement, two of which Troy will share in the cost.

Sixteen (16) select manholes, downstream and outside of Troy, will receive interior modifications to improve hydraulic efficiency (see attachment). These manholes are among a total of 51 whose shape are irregular; they're square instead of round and lack a good channeling device (bench) in the bottom of the manhole. Studies have determined that these unusual manhole features cause a hydraulic abnormality, which restricts flow and causes backups, also known as surcharging. The problem increases where there is a significant change in horizontal flow direction at the manhole, such as around corners.

In general, the rehabilitation will involve installing additional concrete in the bottom of the manhole, adjacent to the sewer flow channel, such that sewer flow will continue through the manhole and remain smoothly channelized up to the top of the pipe. The WRC previously performed this work in six manholes. Testing showed it effectively reduced hydraulic inefficiencies at these manholes.

Also included with the manhole rehabilitation is a segment of the Evergreen/Farmington interceptor sewer along Old Woodward between Vinewood and Harmon. It has two severe bends, essentially a zig-zag, which results in significant hydraulic inefficiencies, especially since it also includes two (2) square manholes. This 216 foot segment of 24-inch sewer will be reconstructed to reduce the horizontal flow angles at the manholes to approximately 45 degrees. Also include are two (2) new round manholes (see attachment).

The second project will eliminate a hydraulic restriction at an existing sewer crossing under Woodward Avenue. Improvements at this location include a new junction chamber, relining of the sewer and interior manhole modifications (see attachment).

The final project included in the agreement is the only project in Troy and consists of a 60-inch diameter sewer pipe. A total of approximately 3,500 feet of 60-inch pipe will provide temporary storage during the design storm event. This linear storage is provided along Wattles Road east and west of Adams Road and along Chestnut Hill Court south of Big Beaver (see attachment). Due to utility conflicts along Adams Road, the storage is required to be divided into two sections. The section east of Adams Road in Troy consists of approximately 1,900 feet of 60-inch pipe (see attachment). The section west of Adams in Bloomfield Township consists of approximately 1,600 feet of 60-inch pipe. Both sections will provide a combined total of approximately 500,000 gallons of temporary storage before discharging the sewage into the existing interceptor sewer after the storm event.

Project Costs and Allocation

The cost of the projects were allocated by the WRC to each community based on their flow contributions. Troy's share of the Wattles Road sewer is 78.2%. Troy's share of the manhole improvements, Woodward Ave. sewer crossing relining and elimination of the "zig-zag" hydraulic restriction is 71.4%. Bloomfield Township is responsible for the rest of the cost (see attachment). Troy's share of project costs is approximately \$5 million.

These projects have been a long time in coming. As far back as 2003 Troy has identified in the Sewer Capital Budget a \$9 million dollar "project" to address sewer overflow problems in the Evergreen Farmington Sewerage District. The project's scope of work had yet to be determined, but over the years potential projects were identified. They evolved as system improvements and studies were done under the City's and WRC's Short Term Corrective Action Plans, and ultimately they resulted in the Long Term Corrective Action projects being proposed today. These projects were submitted by the WRC to the MDEQ and are approved for construction.

The proposed 2015-16 Sewer Capital Budget will include sufficient funding to pay Troy's share of the projects, as recommended by Tom Darling, Director of Financial Services and supported by city management.

Construction Schedule

The WRC expects to open bids in July, 2015. Construction of the 60-inch sewer on Wattles is expected to start in the winter of 2015-16 and be complete in the spring of 2016.

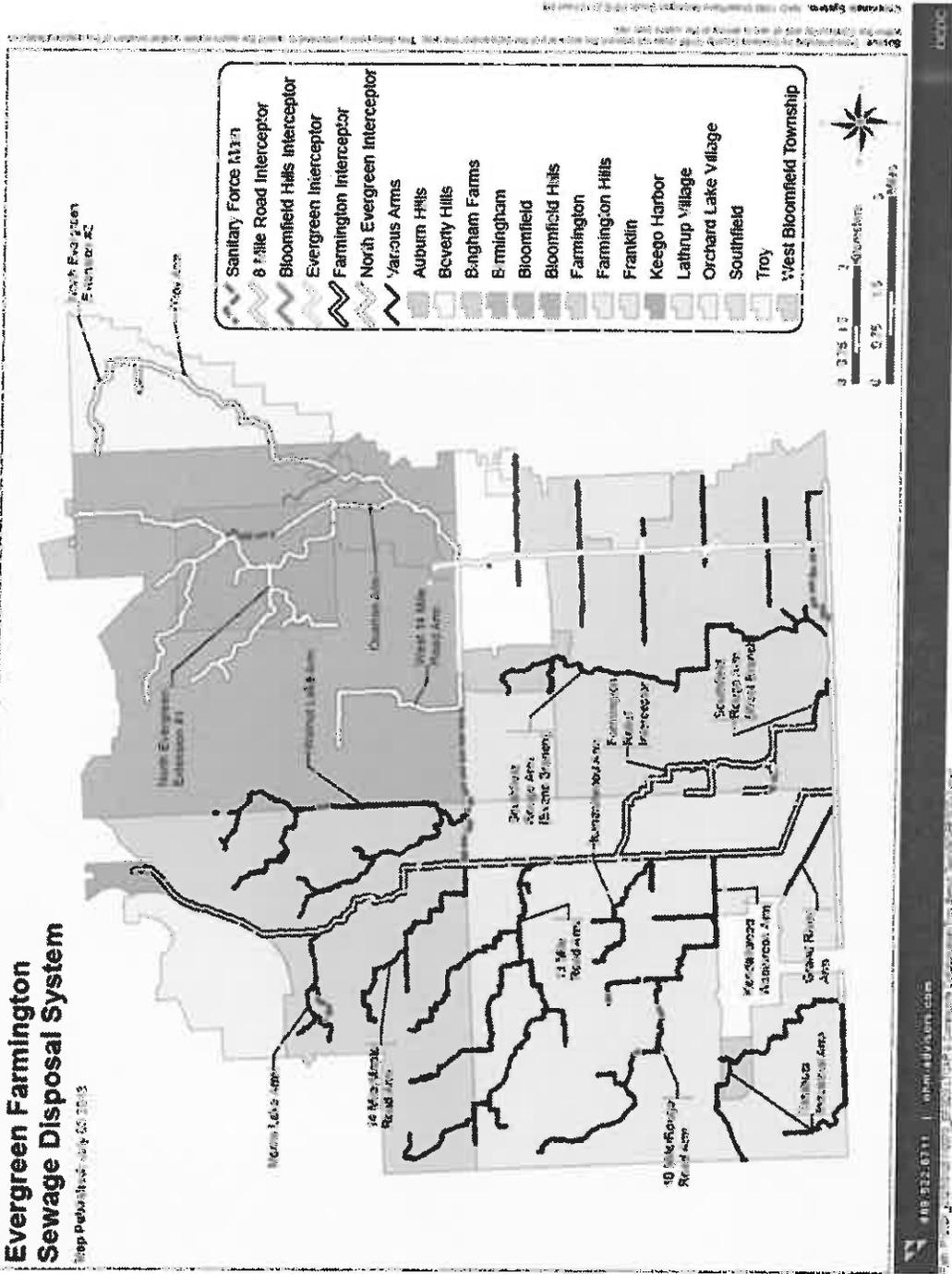
Oakland County WRC Contract

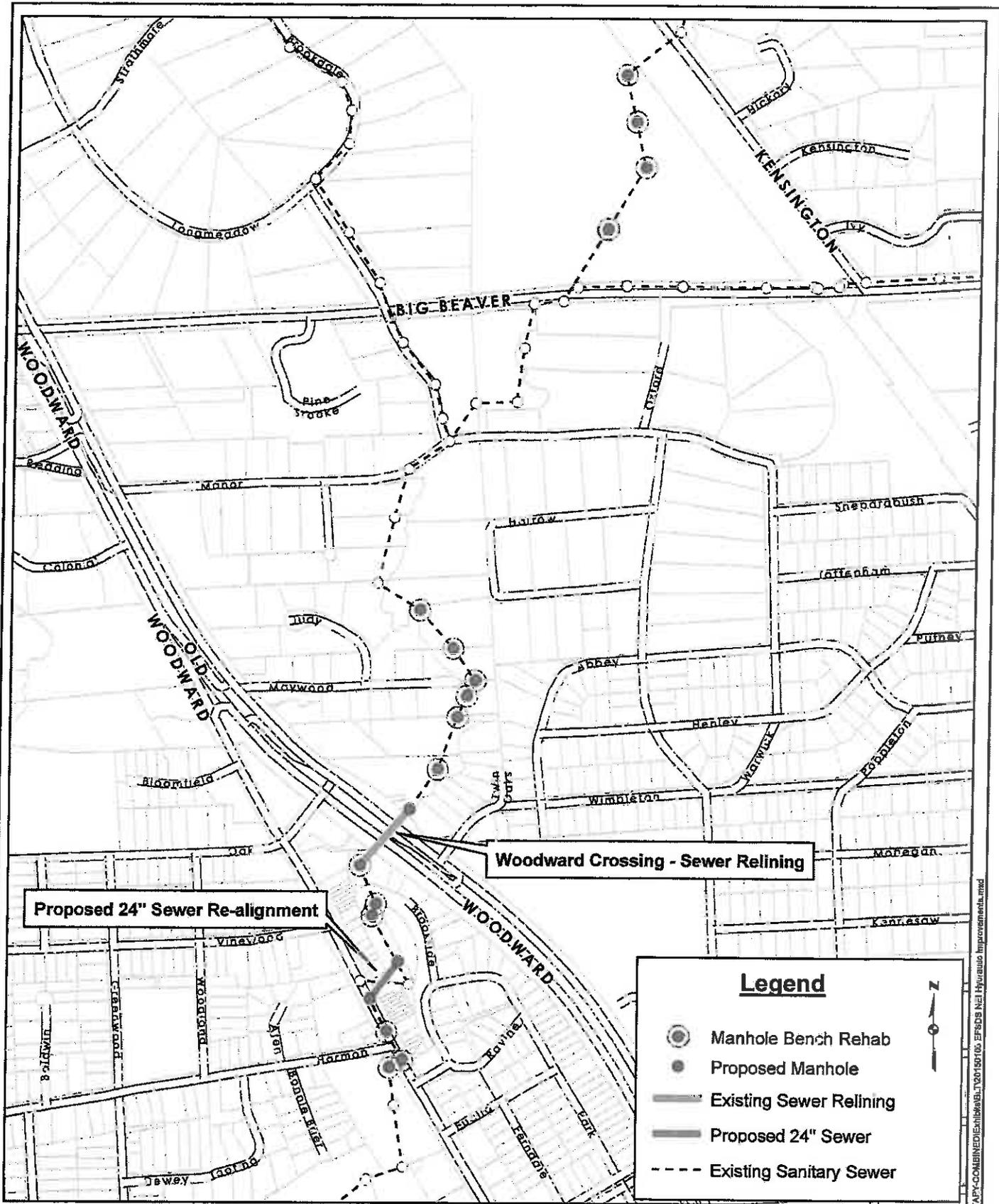
The proposed contract with the Oakland County WRC will authorize them to construct the above mentioned improvements to the Evergreen/Farmington Sewage Disposal System. The WRC will own and maintain the improvements as part of the County System.

Figure B-1: The Evergreen-Farmington Sanitary Sewage Disposal System (EFSDS)

**Evergreen Farmington
Sewage Disposal System**

Map Published July 20, 2013





Evergreen Farmington Sewage Disposal System
 North Evergreen Interceptor
 NEI Hydraulic Improvements (B4)

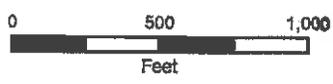


Figure No. 1

Last Rev: 01/17/2015
 J:\Data\Map\GIS\SAINTAFY-COMBINED\B4\B4_150150100_EFSDS NEI Hydraulic Improvements.mxd

Summary of the NEI Projects Cost Allocation Calculation

Project No.	Peak Inflow into Project by Community (cfs)											Total				
	AHC	DFV	BHC	BHV	SIC	BLT	FAC	FHC	FRV	KHC	LVC		OLC	SOC	TRC	WBT
B3	-	-	-	-	-	3.43	-	-	-	-	-	-	-	12.27	-	15.69
B4	-	-	0.40	-	0.00	3.39	-	-	-	-	-	-	-	9.47	-	13.26
C2	-	-	0.57	-	-	7.75	-	-	-	-	-	-	-	-	-	8.32
C4*	2.31	-	5.00	-	0.04	17.02	-	-	-	-	-	-	-	-	0.02	24.40

Project No.	Percent of Cost Allocated to Community											Total				
	AHC	DFV	BHC	BHV	BIC	BLT	FAC	FHC	FRV	KHC	LVC		OLC	SOC	TRC	WBT
B3	-	-	-	-	-	21.8%	-	-	-	-	-	-	-	78.2%	-	100.0%
B4	-	-	3.1%	-	-	25.5%	-	-	-	-	-	-	-	71.4%	-	100.0%
C2	-	-	6.9%	-	-	93.1%	-	-	-	-	-	-	-	-	-	100.0%
C4*	9.4%	-	20.5%	-	0.2%	69.8%	-	-	-	-	-	-	-	-	0.1%	100.0%

*C4 Allocation will change based on possible EFSDS diversion to Pontiac.