



## CITY COUNCIL ACTION REPORT

March 27, 2008

TO: Phillip L. Nelson, City Manager

FROM: Brian Murphy, Assistant City Manager/Economic Development Services  
Steven J. Vandette, City Engineer

SUBJECT: Allocation of 2008 Tri-Party Funds and Cost Participation Agreement for  
2008 Concrete Program

### Background:

- Portions of John R, Dequindre and Big Beaver, all county roads, have numerous pothole patches and broken concrete pavement that have gotten worse during the spring pothole season, which has been among the worst of recent years.
- The Engineering Department proposed to the Road Commission for Oakland County (RCOC) that concrete slab replacements be done early this spring using 2008 Tri-Party Program Funds for this much-needed work.
- Tri-Party Program funds can be used only to improve County roads within the City of Troy.
- Concrete pavement on John R north of Big Beaver, Dequindre north of Maple and Big Beaver east and west of I-75 is severely deteriorated due to spring freeze/thaw conditions and ASR damage.
- Last year the city used its 2007 Tri-Party funds and a portion of its 2008 funds to overlay Livernois from Maple to Big Beaver.
- Total remaining 2008 funds after the Livernois project is \$189,000.

### Financial Considerations:

- The City of Troy's share of the \$189,000 Tri-Party funds is one-third (1/3) or \$63,000 of the total amount.
- The Board of Road Commissioners for the County of Oakland (Board) and the Oakland County Board of Commissioners (County) accounts for the remaining two-thirds (2/3) or \$126,000 of the Tri-Party Funds.
- The Board has offered to donate the construction engineering services to the project at no cost to the city at an estimated cost of \$15,000.
- Funds for the City of Troy's share of the project are included in the 2007-08 Major Road fund, account number 401479.7989.500

### Legal Considerations:

- The format and content of the agreement is consistent with previously approved Cost Participation Agreements between the city and Board as approved by the Legal Department and City Council.

### Policy Considerations:

- Road rehabilitation will provide safer, more aesthetically pleasing roadways. (Goal I).
- The use of Tri-Party Program Funds reduces the cost to each agency for the project (Goal II).
- Good roads are a vital part of maintaining and attracting businesses and residents to the city (Goal III & V).

### Options:

- The Council can approve the suggested resolution.
- The Council can amend the suggested resolution.
- The Council can postpone action pending additional information.

**COST PARTICIPATION AGREEMENT**  
**2008 CONCRETE PROGRAM**  
Big Beaver Road, Dequindre Road & John R Road

City of Troy

BOARD Project Number 49311

This Agreement, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the Board of Road Commissioners for the County of Oakland, Michigan, hereinafter referred to as the BOARD, and the City of Troy, hereinafter referred to as the COMMUNITY, provides as follows:

WHEREAS, the BOARD and the COMMUNITY have programmed the concrete slab replacement on various county roads, described in Exhibit "A", attached hereto and made a part hereof, which improvements involve roads under the jurisdiction of the BOARD and within the COMMUNITY, which improvements are hereinafter referred to as the PROJECT; and

WHEREAS, the estimated total cost of the PROJECT is \$204,000; and

WHEREAS, portions of said PROJECT costs involve certain designated and approved funding in accordance with the Tri-Party Program in the amount of \$189,000, which amount shall be paid through equal contributions by the BOARD, the COMMUNITY, and the Oakland County Board of Commissioners, hereinafter referred to as the COUNTY; and

WHEREAS, the BOARD and the COMMUNITY have reached a mutual understanding regarding the cost sharing of the PROJECT and wish to commit that understanding to writing in this Agreement.

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

1. The COMMUNITY shall forthwith undertake and complete the PROJECT, as above described, under Road Commission for Oakland County permit; and shall perform or cause to be performed all preliminary engineering services and administration in reference thereto. The BOARD shall perform the inspection for the PROJECT.

2. The actual total cost of the PROJECT may include total payments to the contractor.
3. The COMMUNITY shall comply with the provisions as setforth in Exhibit B attached hereto.
4. The estimated total PROJECT cost of \$204,000 shall be funded as detailed below:
  - a. The estimated total amount from the Tri-Party Program is \$189,000 and is proposed from the 2008 Tri-Party Program.
  - b. The BOARD shall donate the construction engineering services to the PROJECT at no expense to the COMMUNITY, estimated to cost \$15,000.
  - c. The BOARD shall administer the payments toward the PROJECT cost for the COUNTY'S Tri-Party contribution, along with the BOARD'S Tri-Party contribution in an amount equal thereto.
  - d. The COMMUNITY shall invoice the BOARD for any cost overages associated with the PROJECT up to the amount allocated to the COMMUNITY from the 2008 Tri-Party Program. The COMMUNITY agrees that any cost overages exceeding the actual 2008 Tri-Party Program allocation will be funded 100% by the COMMUNITY.
5. Upon execution of this Agreement, the COMMUNITY shall submit an invoice to the BOARD for \$63,000 as initial payment to the PROJECT, described as follows:

50% of the BOARD'S total Tri-Party contribution to the PROJECT	\$31,500
50% of the COUNTY'S total Tri-Party contribution to the PROJECT	31,500
Total Initial Payment	\$63,000

6. The COMMUNITY shall determine the final total PROJECT cost and submit to the BOARD for reimbursement following the implementation of the 2008 Tri-Party Program along with following required documents:
  - a. A cover letter originated by the COMMUNITY certifying that the PROJECT is now complete.
  - b. A copy of the FINAL payment estimate paid to the contractor.

- c. An invoice reflecting the total remaining balance due for the BOARD'S share and the COUNTY'S share of the final PROJECT costs.
  - d. One copy of the complete set of the as-built construction plans containing the adjusted quantities of the PROJECT.
7. The BOARD shall submit payment in the full amount thereof of said invoice(s) within thirty 30 days of such receipt.

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

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

By \_\_\_\_\_

Its \_\_\_\_\_

CITY OF TROY

By \_\_\_\_\_

Its \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT A**

**TRI-PARTY PROGRAM**

2007

County Supported Road Improvements

In the

City of Troy

Project No.	Location	Type of Work
49311	Big Beaver Road Dequindre Road John R Road	Concrete Slab replacement

**TOTAL ESTIMATED PROJECT COST**

Contractor Payments	189,000
Construction Engineering	15,000
Total Estimated Project Cost	<u>\$204,000</u>

COST PARTICIPATION BREAKDOWN				
	COMMUNITY	BOARD	COUNTY	TOTAL
2008 Tri-Party Program	63,000	63,000	63,000	189,000
Construction Engineering (Donated by the BOARD)	0	15,000	0	15,000
<b>TOTAL SHARE(S)</b>	<b>\$63,000</b>	<b>\$78,000</b>	<b>\$63,000</b>	<b>\$204,000</b>

**Exhibit B  
PROVISIONS**

**Bidding:** The COMMUNITY shall select the contractor for its share of the work, on a competitive basis by advertising for sealed bids in accordance with its established practices.

**Bonds – Insurance:** The COMMUNITY shall require the contractor provide payment and performance bonds for the PROJECT; said bonds to be in compliance with the provisions of 1963 PA 213 as amended, compiled at MCL 129.201, et seq.

Further the COMMUNITY shall require the contractor to provide insurance naming the BOARD and the Road Commission for Oakland County as additional named insureds. Coverages shall be substantial

**Records:** The parties shall keep records of their expenses regarding the PROJECT in accordance with generally accepted accounting procedures, and shall make said records available to the other during business hours upon request giving reasonable notice. Such records shall be kept for three (3) years from final payment.

Final costs shall be allocated after audit of the records and adjustments in payments shall be invoiced and paid within thirty (30) days thereafter.

**EEO:** The COMMUNITY shall require its contractor to specifically agree that it will comply with any and all applicable State, Federal, and Local statutes ordinances, and regulations, and with RCOC regulations during performance of the SERVICES and will require compliance of all subcontractors and subconsultants.

In accordance with Michigan 1976 PA 453, the COMMUNITY hereto agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, because of race, color, religion, national origin, age, sex, height, weight or marital status. Further, in accordance with Michigan 1976 PA No. 220, as amended, the parties hereby agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position.

The COMMUNITY further agrees that it will require all subconsultants and subcontractors for this PROJECT comply with this provision.

**Governmental Function, Scope:** It is declared that the work performed under this AGREEMENT is a governmental function. It is the intention of the parties hereto that this AGREEMENT shall not be construed to waive the defense of governmental immunity held by the RCOC, and the COMMUNITY.

**Third Parties:** This AGREEMENT is not for the benefit of any third party.