July 15, 2005

TO: John Szerlag, City Manager

FROM: Brian Murphy, Assistant City Manager/Services
Steven Vandette, City Engineer SV

SUBJECT: **Agenda Item** – Final Payment for Gibson Lake Cleanout – Cost Participation Agreement with Sterling Heights

---

RECOMMENDATION:

It is recommended that City Council ratify Final Payment in the amount of $140,893.74 for Gibson Lake Cleanout work performed under a cost participation agreement with the City of Sterling Heights.

BACKGROUND:

The South Lake basin is located southeast of Long Lake and Dequindre in Sterling Heights and receives flow from the Nelson and Gibson Drains located in Sections 11, 12 and 13 in the City of Troy. Although, the pond receives approximately 90% of its water from Troy, Sterling Heights' offer to split the cost of dredging 50/50 with Troy was accepted in 2003. Cleanout of approximately 25,000 cubic yards of sediment from the basin was designed to restore the basin's capacity and effectiveness as an important flood control structure for the area.

During design of the storm sewer for Troy's Long Lake Road project from Carnaby to Dequindre, discussions with Sterling Heights were held regarding Troy's need for an improved storm outlet for Long Lake east into Sterling Heights. This improved drain outlet would flow into the same lake detention basin that contains sediment buildup from Troy. As part of our discussions with Sterling Heights all parties recognized the need for cleanout of sediment from the basin as essential for our improved outlet and restoration of flood control for the downstream properties in Sterling Heights. The reconstruction of Long Lake including the new storm outlet into Sterling Heights and the Basin cleanout were both completed following approval of the cost participation agreement by both city councils.

On October 6, 2003 City Council approved Resolution #2003-10-506 to enter into a Cost Participation Agreement with Sterling Heights for the Gibson Drain South Lake Cleanout. The cost of the project was based on the low bid of $657,200 received by Sterling Heights. The administration, management and oversight of the Project was done by Sterling Heights and their consulting engineers, Hubbell, Roth and Clark, Inc. The cost of this work is shared equally with Sterling Heights as approved by Council Resolution #2002-11-593. The total estimated cost of the project was $788,640 and the estimated cost to the City of Troy was $394,320.

The majority of the overall project cost was for the removal and transport of the sediment from the lake. The actual volume of sediment hauled from the site was measured based on truck volumes taken from the project area. Based on these truck volumes, a significant amount of sediment had been deposited in the Gibson Lake between November 2001 (when the plans and quantities were originally prepared) and the time the actual removal work took place in 2003 and 2004. Actual final quantities could not be determined until the sediment was trucked from the site. As built grades have been completed and show that the removal work did indeed conform with project plans and restored Gibson Lake to its pre-sediment condition.

The contractor removed approximately 6,825 cubic yards more sediment than what was originally estimated and accounted for in the cost participation agreement. The additional cost to the City of Troy for this work is $140,893.74. The total final cost to the City of Troy for the project is $502,353.74 of which $361,460 has previously been paid, while $394,320 has previously been approved by City Council. This leaves, an additional $108,033.74 to be approved by City Council bringing the final not-to-exceed amount for the City of Troy to $502,353.74.

FUNDING

Funds are available for the City of Troy's share of this project in the 2005/06 Capital Drains Fund, account number 401516.7989.1000.

Prepared by: William J. Huotari, Deputy City Engineer
G:\Contracts\Contracts - 2002\02-7 Long Lake, Carnaby to Dequindre\Corrs\ToCCfinalBasinPayment_R1.doc

INVOICE

Please return this portion with your payment

STERLING HEIGHTS TREASURY
40555 Utica Road • P.O. Box 8009
Sterling Heights, Michigan 48311-8009
TEL 586.446.2780
WEBSITE www.sterling-heights.net

Customer Number	Invoice Date	Invoice No.
61078	05/31/2005	11588

Total Due
$140,893.74

TROY, CITY OF
500 WEST BIG BEAVER ROAD
TROY MI 48084

GIBSON DRAIN SOUTH LAKE
DREDGING PROJECT.

✂ *DETACH AND RETURN THIS PORTION WITH YOUR REMITTANCE* ✂

STERLING HEIGHTS TREASURY
40555 Utica Road, P. O. Box 8009
Sterling Heights, MI 48311-8009
Telephone: (586) 446-2780

INVOICE

Description	Orig Bill	Adjusted	Paid	Amount Due
GIBSON DRAIN SOUTH LAKE CLEAN-OUT PROJECT	140893.74	.00	.00	140893.74
QTY 1.00 @ 140893.74 PER EACH				

RECEIVED
JUN - 2 2005
ENGINEERING

GIBSON DRAIN SOUTH LAKE DREDGING PROJECT.

FOR ADDITIONAL INFORMATION PLEASE CALL TREASURY @ 586.446.2780.

Invoice Date	Invoice Number	Customer Number	Due Date	Invoice Total Due
05/31/2005	11588	61078	06/30/2005	$140,893.74