

# Southgate City Council Agenda

## Council Chambers

Wednesday August 16, 2017

6:30pm

### Work Study Session

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1. Officials Reports
2. Discussions regarding agenda items.

7:00 pm

### Regular Meeting

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#### *Pledge of Allegiance*

**Roll Call:**

Colovos, Farrah, George, Graziani, Rauch, Rollet, Zamecki.

**Minutes:**

1. Work Study Session Minutes dated August 2, 2017.
2. Regular City Council Meeting Minutes dated August 2, 2017.
3. Public Hearing Meeting Minutes dated August 2, 2017

**Scheduled Persons in the Audience:**

1. David E. Klein; Re: Tree Removal
2. Peter and Nancy Alley

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Page 3

**Consideration of Bids:**

1. Letter from the Mayor; Re: Bid for the Purchase of Hand Held Reader

Page 4

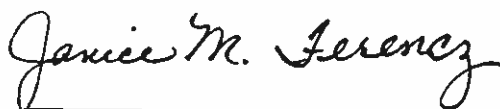
**Scheduled Hearings:****Communications "A" –**

1. Memo from Laura Walsh; Re: SMART Municipal and Community Credit Program Agreement
2. Memo from Administrator; Re: MDOT Tap Grant Project
3. Memo from Administrator; Re: MDOT Tap Grant Project (DTE Energy)

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Page 15  
Page 46

**Communications "B" – (Receive and File)****Ordinances:****Old Business:****New Business:****Unscheduled Persons in the Audience:**

**Claims & Accounts: Warrant # 1335      \$8,364,027.95**

**Adjournment:**

**Janice M. Ferencz, City Clerk**

## Request to Speak at Council Meeting

TODAY'S DATE:

8-2-17

YOUR NAME:

DAVID E. KLEIN  
PLEASE PRINT

ADDRESS:

11199 AFTON RD  
SOUTHGATE, MI

PHONE #:

734 365 3688

-----  
DATE OF MEETING YOU WISH TO SPEAK AT:

8-16-17

SUBJECT YOU WISH TO ADDRESS:

TREE REMOVAL  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*Attach additional information if desired.

SIGNATURE:

David E. Klein

## Request to Speak at Council Meeting

TODAY'S DATE:

8-7-2017

YOUR NAME:

Peter + Nancy Alley  
PLEASE PRINT

ADDRESS:

15205 Goddard Rd.  
SOUTHGATE, MI

PHONE #:

734-934-1699

-----  
DATE OF MEETING YOU WISH TO SPEAK AT:

8-16-2017

SUBJECT YOU WISH TO ADDRESS:

4yr on going ~~is~~ building issue  
w/ Olive Court.

\*Attach additional information if desired.

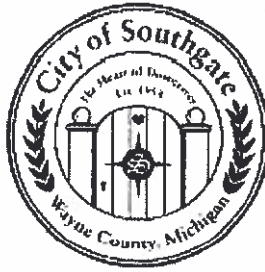
SIGNATURE:

Peter + Nancy Alley

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN CRAZIANI  
*Council President*

KAREN E. GEORGE

MARK FARRAH

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

August 1, 2017

To the Honorable  
City Council  
Southgate, Michigan 48195

Re: Bid for the Purchase of Hand Held Reader

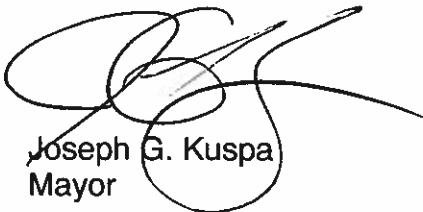
Ladies and Gentlemen:

Bids for the Purchase of a Hand Held Reader were received and reviewed by the administration. It is recommended by the DPS Director and I concur, that the bid be awarded to Ferguson Water Works, in the amount of \$7,834.00.

Sufficient funds are available and reserved in the Water Department Account to cover the costs associated with this purchase.

Your favorable consideration of this matter is requested.

Sincerely,



Joseph G. Kuspa  
Mayor

JGK/law

**JOSEPH G. KUSPA**  
*Mayor*

**JANICE M. FERENCZ**  
*City Clerk*

**JAMES E. DALLOS**  
*Treasurer*



**City of Southgate**  
NORMA J. WURMLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

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**PHILLIP J. RAUCH**

**CHRISTOPHER P. ROLLET**

## Memorandum

**TO:** The Honorable Mayor and City Council

**FROM:** David Angileri, Assistant City Administrator/Finance Director 

**DATE:** August 1, 2017

**RE:** Recommendation for Hand Held Reader

I have reviewed the above with the DPS Director and concur with his recommendation to award this purchase to Ferguson Waterworks, Madison Heights, Michigan in the amount of \$7,834.00. The Hand Held is over 16 years old and is beyond its useful life.

Adequate funds are reserved and available in the Water Department for this purchase.


Acct: 591-000-142-0000: Water & Sewer/Equipment



## DEPARTMENT OF PUBLIC SERVICES

14719 Schafer Court· Southgate, Michigan 48195  
Ph: (734) 258-3079· Fax: (734) 246-1333

### Memorandum

**To:** The Honorable Mayor and Members of City Council  
**From:** Robert Tarabula, DPS Director   
**Date:** July 31, 2017  
**Re:** Request for Waiver of Bid

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The Water Department is requesting a bid waiver in the amount of \$7,834.00, to purchase a water meter reading gun and the required accessories from Ferguson Waterworks. Ferguson Waterworks is our current supplier of water meters and the only supplier of the compatible water meter reading guns and required accessories.

I recommend the City waive the bid process and purchase a water meter reading gun and the required accessories from Ferguson Waterworks., 799 E. Whitcomb Ave., Madison Heights, MI 48071. I respectfully request this item be placed on the City Council agenda for the meeting scheduled for August 17, 2017, for purposes of bid waiver and purchase approval.

If you have any questions, please contact me. I would appreciate your favorable consideration of this request.

Enclosure



FEI - WW NEPTUNE MICH #3373  
799 E WHITCOMB AVE  
MADISON HEIGHTS, MI 48071-0000

Phone: 248-585-3700  
Fax: 248-585-3730

Deliver To:  
From: Zach Demers  
Comments:

08:27:09 JUN 26 2017

Page 1 of 1

FERGUSON WATERWORKS #3650

Order Confirmation  
Phone: 248-585-3700  
Fax: 248-585-3730

Order No: 0006135  
Order Date: 06/26/17  
Writer: ZLD

Req Date: 07/26/17

Ship Via:  
Terms: NET 10TH PROX

Sold To: CITY OF SOUTHGATE  
14400 DIX TOLEDO  
METER SALES ONLY  
SOUTHGATE, MI 48195

Ship To: SOUTH GATE  
14719 SCHAFER CT  
SOUTHGATE, MI 48195

Cust PO#:

Job Name: SOUTHGATE

Item	Description	Quantity	Net Price	UM	Total
N13462000	TRIMBLE RANGER 3XE HH	1	7334.000	EA	7334.00
N13461001	TRIMBLE RANGER 3XE CHARGING CRADLE	1	500.000	EA	500.00
<del>N13493001</del>	<del>TRIMBLE NOMAD 9000 HH</del>	<del>1</del>	<del>2334.000</del>	<del>EA</del>	<del>2334.00</del>
<del>N13245001</del>	<del>TRIMBLE NOMAD CHARGING CRADLE</del>	<del>1</del>	<del>400.000</del>	<del>EA</del>	<del>400.00</del>
<del>N19302000</del>	<del>R000 BELT CLIP TRANSCIVER</del>	<del>1</del>	<del>2534.000</del>	<del>EA</del>	<del>2534.00</del>
			Net Total:		<del>\$13102.00</del>
			Tax:		\$0.00
			Freight:		\$0.00
			Total:		<del>\$13102.00</del>

\$7834.00

WARRANTY PROVISIONS

The purchaser's sole and exclusive warranty is that provided by the manufacturer, if any. Seller makes no express or implied warranties. SELLER DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL SELLER BE LIABLE FOR ANY INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING DIRECTLY OR INDIRECTLY FROM THE OPERATION OR USE OF THE PRODUCT. SELLER'S LIABILITY, IF ANY, SHALL BE LIMITED TO THE NET SALES PRICE RECEIVED BY SELLER. Complete Terms and Conditions are available upon request or can be viewed on the web at [http://wolseleyna.com/terms\\_conditionsSale.html](http://wolseleyna.com/terms_conditionsSale.html).



**NEPTUNE**  
TECHNOLOGY GROUP

## TRIMBLE RANGER 3XE HANDHELD DATA COLLECTOR

### STREAMLINE AND AUTOMATE WATER MEASUREMENT

When you work with Neptune's R900® System, you'll streamline and automate processes to help your workforce be more efficient in their jobs, saving your utility time and money. The Trimble Ranger 3XE's intuitive design reduces training time, and our automated features ensure that the data you collect is accurate and easy to share with other departments. And if you need it, you can count on our support staff to resolve issues quickly and efficiently. Neptune's systems provide the foundation that you can build on, turning data into meaningful information to improve accuracy, identify hidden causes of loss, and streamline operations.

### PROTECT ASSETS WHILE ADOPTING NEW TECHNOLOGIES

Neptune has designed the R900 System to ensure that individual components work easily with past generations of equipment, and will work just as seamlessly with future innovations as your utility's needs evolve. For instance, the Trimble Ranger 3XE maintains support to read R900® MIUs through its internal HR2650i receiver. The Ranger lets you choose manual keyed entry, probed, and walk-by RF data collection methods at any time. The Ranger can also be paired via Bluetooth with the new R900® Belt Clip Transceiver (BCT). This enables features such as RF-activated data logging to extract 96 days' worth of hourly consumption data from the new enhanced R900 or E-Coder® R900i™ for an individual account. You can phase in these and other new features and equipment at your own pace, confident that Neptune will support your future needs without leaving stranded assets.

### ADDRESS CUSTOMER ISSUES AND IMPROVE SERVICE

With the Trimble Ranger 3XE and R900 BCT, access to the meter is not an issue, so your meter readers can quickly capture the information they need remotely. Your field personnel can now have AMI functionality in the palm of their hand, with immediate access to detailed interval data as well as flags for leaks, tamper, and reverse flow from E-Coder®-equipped meters. They can generate graphs of a customer's water consumption and show the customer on-screen exactly when excessive water usage occurred or when a probable continuous leak began. Seeing usage patterns and receiving alerts will help your utility proactively improve your customer service, heading off high bill complaints, reducing delinquent payments, and avoiding write-offs in the process.



### STRENGTHS

- Increases Efficiency
  - Supports multiple data collection methods – manual keyed entry, probed, and walk-by RF
  - Integrated HR2650i receiver for easy transition to walk-by RF
  - Supports two-way communication to R900 when connected to R900 Belt Clip Transceiver (BCT)
- Protects your meter reading data
  - SD card backup
  - Meets MIL-STD-810G for impact, vibration, humidity, altitude, and extreme temperatures
  - Meets IP67 for protection against dust and water intrusion
- Analyze data at the source
  - View data logging graphs in the field to address high bill complaints
  - Identify high/low audit status failures
  - Receive leak, reverse flow, and days of no flow alerts from E-Coder-equipped meters



- Operating System: Windows Mobile 6.5 Professional
- Software Application: N\_SIGHT™ R900® (version 4.7 or later)
- Processor: TI AM3715 Sitara ARM Cortex-A8 processor at 800 MHz
- Memory: 256 MB RAM
- Display: 4.2 in (10.6 cm), 640 x 480 pixel, VGA TFT with LED backlighting
- Keyboard: QWERTY full keypad with number pad, directional buttons with 4 programmable buttons
- Power Supply
  - Rechargeable lithium ion battery pack – 11.1V, 2500 mAh, 27.8 Wh
  - Power management system
  - Integrated charge status and low battery indicator
  - Typical 10+ hour work day
- Communication
  - Bluetooth 2.0 + EDR
  - WiFi (802.11b/g)
- WWAN Radios
  - HSDPA, Tri-band
  - HSDPA/UMTS: 850/1900/2100 MHz, Quad-band
  - GSM/GPRS/EDGE
  - CDMA
- Audio: Integrated speaker and microphone
- AMR RF Receiver: HR2650i integrated receiver, Also compatible via Bluetooth with R900 Belt Clip Transceiver (BCT)
- Dimensions
  - Height: 1.9" (4.8 cm)
  - Width: 5.2" (13.1 cm)
  - Length: 10.5" (26.6 cm)
  - Weight: 2.3 lbs. (1.04 kg) including rechargeable battery and stylus
- Temperature Range
  - Operating: -22°F to +140°F (-30°C to +60°C)
  - Storage: -40°F to +158°F (-40°C to +70°C)
  - Humidity: 90% RH temp cycle -4°/+140°F (-20°C/+60°C)

- Environmental
  - Meets or exceeds:
    - Water: IEC-529, IP67
    - Sand & Dust: IEC-529, IP67
    - Drop: MIL-STD-810G, Method 516.6, Procedure IV
    - Vibration: MIL-STD-810G, Method 514.6, Procedure I, II
    - Operating and Storage Temperature: MIL-STD-810G, Method 501.5 – Procedure I, II, Method 502.5 – Procedure I, II, III
    - Temperature Shock: MIL-STD-810G, Method 503.5, Procedure I
    - Humidity: MIL-STD-810G, Method 507.5
    - Altitude: MIL-STD-810G, Method 500.5, Procedure I, II, III
- Approvals
  - FCC, CE, R&TTE, IC (Canada), C-tick, GCF compliant, RoHS compliant, Section 508 compliant, AT&T certified, WiFi Alliance certified, MIL-STD-810G, IP67, MIL-STD-461
- Accessories
  - Ethernet communications and charging cradle
  - Replacement lithium-ion battery
  - Hand strap
  - AC power adapter
  - Anti-glare screen protector
  - Stylus
- Warranty
  - Two year comprehensive warranty
  - Hardware and software maintenance contracts available

1600 Alabama Highway 229  
Tallahassee, AL 36078  
USA  
Tel: (800) 633-8754  
Fax: (334) 283-7293

7275 West Credit Avenue  
Mississauga, Ontario  
L5N 5M9  
Canada  
Tel: (905) 858-4211  
Fax: (905) 858-0428

Avenida Ejército Nacional No 418  
Piso 12, Despacho 1203  
Colonia Polanco V Sección  
C.P. 11580  
Delegación, Miguel Hidalgo  
Mexico D.F.  
Tel: (525) 5203-4032 / (525) 5203-6204  
(525) 5203-5294  
Fax: (525) 5203-6503



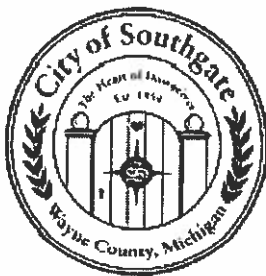
**NEPTUNE**  
TECHNOLOGY GROUP

www.neptune-tech.com

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**

NORMA J. WURMLINGER  
MUNICIPAL BUILDING

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CHRISTOPHER P. ROLLET

**Memorandum**

**To: Honorable City Council Members**

**From: Laura Walsh**

**Date: August 9, 2017**

**Re: SMART Municipal and Community Credit Program Agreement**

Enclosed please find documents for the City of Southgate Transportation Program and Funding programs available for the SMART program under the following title:

Municipal and Community Credits Program for FY 2018

Please review the attached resolution for your approval and authorization.

Thank you.

# MUNICIPAL CREDIT and COMMUNITY CREDIT CONTRACT

## for FY - 2018

I, Laura Walsh as the Admin. Asst. of the **City of Southgate** (hereinafter, the "Community") hereby apply to SMART and agree to the terms and conditions herein, for the receipt and expenditure of **Municipal Credits** (Section 1 below), and **Community Credits** (Section 2 below); and further agree that the **Municipal and Community Credits Master Agreement** between the parties is incorporated herein by reference. A description of the service the Community shall provide hereunder is set forth in Exhibit A, and the operating budget for that service is set forth in Exhibit B, both of which are attached hereto and incorporated herein.

1. The Community agrees to use **\$29,564** in **Municipal Credit** funds as follows:

- (a) Transfer to \_\_\_\_\_ Funding of: \$ \_\_\_\_\_  
TRANSFeree COMMUNITY
- (b) Van/Bus Operations At the cost of: \$ 29,564.00  
(Including Charter and Taxi services)
- (c) Services Purchased from SMART At the cost of: \$ \_\_\_\_\_  
(Including Tickets, Shuttle Services/Dial-a-Ride)

**Total \$ 29,564**

SMART intends to provide Municipal Credit funds under this contract to the extent funds for the program are made available to it by the Michigan Legislature pursuant to Michigan Public Act 51 of 1951. Municipal Credit funds made available to SMART through legislative appropriation are based on projected revenue estimates. In the event that revenue actually received is insufficient to support the Legislature's appropriation, it will result in an equivalent reduction in funding provided to the Community pursuant to this Contract. In such event, SMART reserves the right, without notice, to reduce the payment of Municipal Credit funds by the amount of any reduction by the legislature to SMART. All funding must be spent by September 30, 2019; all funds not spent by that date will revert back to SMART pursuant to Michigan Public Act 51 of 1951, for expenditure consistent with Michigan law and SMART policy.

2. The Community agrees to use **\$39,285** in **Community Credit** funds available as follows:

- (a) Transfer to \_\_\_\_\_ Funding of: \$ \_\_\_\_\_  
TRANSFeree COMMUNITY
- (b) Van/Bus Operations At the cost of: \$ 35,285.00  
(Including Charter and Taxi services)
- (c) Services Purchased from SMART At the cost of: \$ 4,000.00  
(Including Tickets, Shuttle Services/Dial-a-Ride)
- (d) Capital Purchases At the cost of: \$ \_\_\_\_\_

**Total \$39,285**

# **MUNICIPAL CREDIT and COMMUNITY CREDIT CONTRACT**

## **for FY - 2018**

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Capital purchases permitted with Community Credits are subject to applicable state and federal regulations, and SMART policy, including procurement guidelines. When advantageous, SMART may make procurements directly. Reimbursement for purchases made by Community requires submission of proper documentation to support the purchase (i.e. purchase orders, receiving reports, invoices, etc.). Community Credit dollars available in FY 2018, may be required to serve local employer transportation needs per the coordination requirements set forth in the aforementioned Master Agreement. All Community Credit funds must be spent by June 30, 2020 unless approval from SMART General Manager is obtained to extend Community Credits for an additional 2 years to allow accrual for major capital projects; any funds not spent by that date may revert back to SMART for expenditure consistent with SMART policy.

This agreement shall be binding once signed by both parties.

### **CITY OF SOUTHGATE**

By: \_\_\_\_\_

Date \_\_\_\_\_

Its: \_\_\_\_\_

### **Suburban Mobility Authority for Regional Transportation**

Date \_\_\_\_\_

By: \_\_\_\_\_

John C. Hertel  
General Manager

# MUNICIPAL CREDIT and COMMUNITY CREDIT CONTRACT for FY - 2018

## EXHIBIT B

### PROJECT OPERATING BUDGET

Municipality: City of Southgate

Contract Period: July 1, 2017 - June 30, 2018

Account No: 48131

#### OPERATING EXPENSES:

Administrative Fee (10% max. of MC & CC funds)	<u>7604.00</u>
Driver Wages	<u>44865.00</u>
Fringe Benefits	
Gasoline & Lubricants	<u>6000.00</u>
Vehicle Insurance	<u>3500.00</u>
Parts, Maintenance Supplies	<u>3000.00</u>
Mechanic Wages	<u>3000.00</u>
Fringe Benefits	
Dispatch Wages	<u>3000.00</u>
Other (Specify)	<u>1080.00</u>

**Sub-Total (Operating Expenses)**

72,049.00

#### PURCHASED SERVICE:

Taxi Service	
Charter Service	
SMART Bus Tickets	<u>4,000.00</u>
SMART Shuttle Service	
SMART Dial-A-Ride	
Other (Specify)	

**Sub-Total (Purchased Service)**

4,000.00

#### CAPITAL EQUIPMENT:

(Only list purchases to be made with Community Credits)

Computer Equipment	
Software	
Vehicle	
Maintenance Equipment	
Other (Specify)	

**Sub-Total (Capital Equipment)**

#### TOTAL EXPENSES

(Operating Expenses, Purchased Service,  
and Capital Equipment):

76,049.00

# MUNICIPAL CREDIT and COMMUNITY CREDIT CONTRACT for FY - 2018

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## EXHIBIT B, continued (Page 2)

### REVENUES:

Municipal Credit Funds	<u>29,564</u>
Community Credit Funds	<u>39,285</u>
Specialized Services Funds	<u>          </u>
General Funds	<u>          </u>
Farebox Revenue	<u>7200.00</u>
In-Kind Service	<u>          </u>
Special Fares (Contracted Service)	<u>          </u>
Other (Specify)	<u>          </u>

### TOTAL REVENUE:

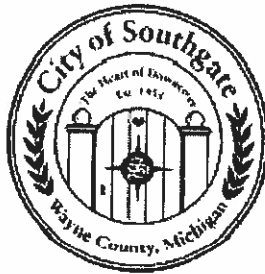
76,049.00

(Note: TOTAL EXPENSES must equal TOTAL REVENUE)

JOSEPH G. KUSPA  
Mayor

JANICE M. FERENCZ  
City Clerk

JAMES E. DALLOS  
Treasurer



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CHRISTOPHER P. ROLLET

**Memorandum**

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Date:** August 11, 2017

**Re:** MDOT Tap Grant Project

The Administration respectfully requests the City Council consider approving two (2) contracts with regard to the above referenced project.

The first is between the Michigan Department of Transportation (MDOT) and the City for the construction of the roadway and path. The second is between DTE Energy and the City for the lights along the roadway and path. A separate memo regarding this contract will be provided.

On August 4, 2017 MDOT opened the roadway and path bids. Three bids were submitted:

Erie Construction, LLC	\$349,044.45
CD Hughes, Inc.	\$379,247.55
L. J. Construction, Inc.	\$424,626.25

The City Engineers have reviewed the bids and recommend the low bid of Erie Construction, LLC. Please find their recommendation attached.

MDOT's contribution for this project is \$200,776.00. Therefore the City's share is \$148,268.45. Downtown Development Authority Funds in the amount of \$62,500.00 have been set aside for this project. Act 51 funds in the amount of \$85,768.45 will be used to complete the roadway and path. The Assistant City Administrator/Finance Director has indicated that \$85,768.45 of Act 51 funds are available to cover this expense.

Therefore the Administration respectfully requests the City Council approve the contract between MDOT and the City and authorize the Mayor and City Clerk to sign it.

If you have any questions about this recommendation, please contact me.

**Cc:** Mayor Joseph G. Kuspa  
David Angileri  
John Hennessey  
Dustin Lent  
Bob Tarabula



July 31, 2017

Mr. John Zech, City Administrator  
City of Southgate  
14400 Dix-Toledo Highway  
Southgate, Michigan 48195

**Re: MDOT TAP Grant Pathway  
Recommendation of MDOT Contract  
City of Southgate  
Hennessey Project No. 13088**

Dear Mr. Zech:

At your request Hennessey Engineers has reviewed the contract from the Michigan department of Transportation and recommends the City proceeds with signing and executing the contract.

If you have any questions, please do not hesitate to contact me at any time.

Very Truly Yours,

HENNESSEY ENGINEERS, INC

A handwritten signature in black ink, appearing to read 'T. Nuccio'.

Troy Nuccio, P.E.  
Project Engineer

cc: Honorable Mayor Joseph Kuspa, City of Southgate  
City Council Members, City of Southgate  
Bob Tarabula, DPS Director, City of Southgate  
Dave Angileri, Finance Director, City of Southgate  
John J. Hennessey, P.E., Vice-President, Hennessey Engineers, Inc.  
File B.3

R:\Municipalities\10000's Southgate\13000's Southgate\13088 MDOT-TAP Grant Pathway\Correspondence\Recommendation of MDOT Contract 2017-07-31.docx



TAP

DA

Control Section	TAU 82457
Job Number	128442A
Project	TAP 1782(071)
Federal Item No.	HK 1586
CFDA No.	20.205 (Highway Research Planning & Construction)
Contract No.	17-5325

## PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made and entered into this date of \_\_\_\_\_, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF SOUTHGATE, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in the City of Southgate, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated June 20, 2017, attached hereto and made a part hereof:

### PART A – FEDERAL PARTICIPATION

Non-motorized path construction work along City Downtown Trail from Trenton Road easterly to Marker Center Park; including pedestrian lighting, bench, trash receptacle, and landscaping installation work; and all together with necessary related work.

### PART B – NO FEDERAL PARTICIPATION

Permit fees for the work described in PART A; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of transportation enhancement activities; and

WHEREAS, it has been determined that the PROJECT qualifies for such funding by virtue of its direct relationship with the intermodal transportation system; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal Funds under the following Federal program(s) or funding:

## TRANSPORTATION ALTERNATIVES PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the force account work for the PART A portion of the PROJECT incurred by the REQUESTING PARTY and the cost of the physical construction incurred by the DEPARTMENT necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the PROJECT including advertising and awarding the construction contract for the PROJECT or portions of the PROJECT. Such administration shall be in accordance with PART II, Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, under the terms of this contract, shall:

A. At PROJECT COST, perform or cause to be performed minor utility work for lighting installation by DTE Energy Company, necessary for the completion of the PART A portion of the PROJECT.

B. At no cost to the PROJECT

(1) Design or cause to be designed the plans for the PROJECT.

- (2) Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.
  - (3) Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.
- C. At least 10 days prior to any ceremony to be held in connection with the PROJECT, notify the DEPARTMENT.
- D. When issuing any news release or promotional material regarding the PROJECT, give the DEPARTMENT and FHWA credit for participation in the PROJECT and provide a copy of such material to the DEPARTMENT.

The REQUESTING PARTY will furnish the DEPARTMENT proposed timing sequences for trunkline signals that, if any, are being made part of the improvement. No timing adjustments shall be made by the REQUESTING PARTY at any trunkline intersection, without prior issuances by the DEPARTMENT of Standard Traffic Signal Timing Permits.

The method of performing the work will be indicated on the work authorization. The REQUESTING PARTY will comply with PART II, Section IIF, when applicable.

- 5. The PROJECT COST shall be met in accordance with the following:

PART A

Federal Funds shall be applied to the eligible items of the PART A portion of the PROJECT COST up to the lesser of: (1) \$200,776, or (2) an amount such that 81.85 percent, the normal Federal participation ratio for such funds, for the PART A portion of the PROJECT is not exceeded at the time of the award of the construction contract. The balance of the PART A portion of the PROJECT COST, after deduction of Federal Funds, shall be charged to and paid by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

PART B

The PART B portion of the PROJECT COST is not eligible for Federal participation and shall be charged to and paid 100 percent by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

Any items of PROJECT COST not reimbursed by Federal Funds will be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds earned as the PROJECT progresses.

7. It is understood that the REQUESTING PARTY is responsible for the facilities constructed as the PROJECT and that said facilities may require special or unusual operation and/or maintenance. The REQUESTING PARTY certifies, by execution of this contract, that upon completion of construction and at no cost to the PROJECT or the DEPARTMENT, it will properly maintain or provide for the maintenance and operation of the PROJECT, making ample provisions each year for the performance of such maintenance work as may be required.

On projects involving the mobility for bicyclists, the REQUESTING PARTY will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such facility constructed as the PROJECT except those for maintenance or emergency assistance purposes, or mobility for persons with disabilities.

On projects involving the restoration of historic facilities, the REQUESTING PARTY agrees that the project will not be awarded until the owner of such facilities has an Historic Preservation Covenant, which includes an Historic Preservation Easement, or an Historic Preservation Agreement, as appropriate, with the Michigan State Historic Preservation Office in accordance with 1995 PA 60 for the purpose of ensuring that the historic property will be preserved. The REQUESTING PARTY also agrees that such facilities shall be maintained and repaired by the REQUESTING PARTY or owner, as applicable, at no cost to the DEPARTMENT or the PROJECT, in such a manner as to preserve the historical integrity of features, materials, appearance, workmanship, and environment.

On projects which include landscaping, the DEPARTMENT, at PROJECT COST, agrees to perform or cause to be performed, the watering and cultivating necessary to properly establish the plantings for a period of two growing seasons, in general conformance with Section 815.03(L) of the DEPARTMENT'S Standard Specifications for Construction. The REQUESTING PARTY shall maintain all plantings following completion of said period of establishment.

Failure of the REQUESTING PARTY to fulfill its responsibilities as outlined herein may disqualify the REQUESTING PARTY from future Federal aid participation in Transportation Alternatives Program projects or in other projects on roads or streets for which it has maintenance responsibility. Federal aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail.

Buy America Requirements (23 CFR 635.410) shall apply to the PROJECT and will be adhered to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that a) it is a person under the Natural Resources and Environmental Protection Act, MCL 324.20101 et seq., as amended, (NREPA) and is not aware of and has no reason to believe that the property is a facility as defined in the NREPA; b) the REQUESTING PARTY further certifies that it has completed the tasks required by MCL 324.20126 (3)(h); c) it conducted a visual inspection of property within the existing right of way on which construction is to be performed to determine if any hazardous substances were present; and at sites on which historically were located businesses that involved hazardous substances, it performed a reasonable investigation to determine whether hazardous substances exist. This reasonable investigation should include, at a minimum, contact with local, state and federal environmental agencies to determine if the site has been identified as, or potentially as, a site containing hazardous substances; d) it did not cause or contribute to the release or threat of release of any hazardous substance found within the PROJECT limits.

The REQUESTING PARTY also certifies that, in addition to reporting the presence of any hazardous substances to the Department of Environmental Quality, it has advised the DEPARTMENT of the presence of any and all hazardous substances which the REQUESTING PARTY found within the PROJECT limits, as a result of performing the investigation and visual inspection required herein. The REQUESTING PARTY also certifies that it has been unable to identify any entity who may be liable for the cost of remediation. As a result, the REQUESTING PARTY has included all estimated costs of remediation of such hazardous substances in its estimated cost of construction of the PROJECT.

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Department of Environmental Quality, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Department of Environmental Quality and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT or its agents pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections, and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY of its ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control, or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT or its agents does not relieve the REQUESTING PARTY and the local agencies, as applicable of their exclusive jurisdiction of any of their highways and responsibility under MCL 691.1402 et seq., as amended.

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT or its agents is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of any REQUESTING PARTY highway for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended, rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. Each party to this contract will remain responsible for any and all claims arising out of its own acts and/or omissions during the performance of the contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this contract.

17. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving any claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be considered PROJECT COSTS.

18. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume either ownership of any portion of the PROJECT or jurisdiction of any REQUESTING PARTY highway as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

19. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolutions approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

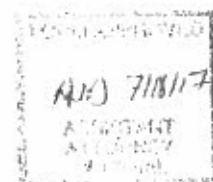
CITY OF SOUTHGATE

MICHIGAN DEPARTMENT  
OF TRANSPORTATION

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Department Director MDOT

By \_\_\_\_\_  
Title:



RDB  
7/11/17

APPROVED BY \_\_\_\_\_  
Administrator  
Real Estate  
Date 7/12/17



June 20, 2017

EXHIBIT I

CONTROL SECTION TAU 82457  
JOB NUMBER 128442A  
PROJECT TAP 1782(071)

ESTIMATED COST

CONTRACTED WORK

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
Estimated Cost	\$307,000	\$5,000	\$312,000

FORCE ACCOUNT WORK (REQUESTING PARTY)

Minor Utility Work for Lighting Installation by DTE Energy Company	\$19,396	\$ -0-	\$ 19,396
GRAND TOTAL ESTIMATED COST	\$326,396	\$5,000	\$331,396

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$326,396	\$5,000	\$331,396
Less Federal Funds*	<u>\$200,776</u>	<u>\$ -0-</u>	<u>\$200,776</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$125,620	\$5,000	\$130,620

\*Federal Funds for the PART A portion of the PROJECT are limited to an amount as described in Section 5.

NO DEPOSIT

PART II

STANDARD AGREEMENT PROVISIONS

SECTION I COMPLIANCE WITH REGULATIONS AND DIRECTIVES

SECTION II PROJECT ADMINISTRATION AND SUPERVISION

SECTION III ACCOUNTING AND BILLING

SECTION IV MAINTENANCE AND OPERATION

SECTION V SPECIAL PROGRAM AND PROJECT CONDITIONS

## SECTION I

### COMPLIANCE WITH REGULATIONS AND DIRECTIVES

- A. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
- B. All work on projects for which reimbursement with Federal funds is requested shall be performed in accordance with the requirements and guidelines set forth in the following Directives of the Federal-Aid Policy Guide (FAPG) of the FHWA, as applicable, and as referenced in pertinent sections of Title 23 and Title 49 of the Code of Federal Regulations (CFR), and all supplements and amendments thereto.
  - 1. Engineering
    - a. FAPG (6012.1): Preliminary Engineering
    - b. FAPG (23 CFR 172): Administration of Engineering and Design Related Service Contracts
    - c. FAPG (23 CFR 635A): Contract Procedures
    - d. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
  - 2. Construction
    - a. FAPG (23 CFR 140E): Administrative Settlement Costs-Contract Claims
    - b. FAPG (23 CFR 140B): Construction Engineering Costs
    - c. FAPG (23 CFR 17): Recordkeeping and Retention Requirements for Federal-Aid Highway Records of State Highway Agencies
    - d. FAPG (23 CFR 635A): Contract Procedures
    - e. FAPG (23 CFR 635B): Force Account Construction
    - f. FAPG (23 CFR 645A): Utility Relocations, Adjustments and Reimbursement

- g. FAPG (23 CFR 645B): Accommodation of Utilities (PPM 30-4.1)
  - h. FAPG (23 CFR 655F): Traffic Control Devices on Federal-Aid and other Streets and Highways
  - i. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
3. Modification Or Construction Of Railroad Facilities
- a. FAPG (23 CFR 140I): Reimbursement for Railroad Work
  - b. FAPG (23 CFR 646B): Railroad Highway Projects
- C. In conformance with FAPG (23 CFR 630C) Project Agreements, the political subdivisions party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
- 1. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
  - 2. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
  - 3. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Ensure that the PROJECT is constructed in accordance with and incorporates all committed environmental impact mitigation measures listed in approved environmental documents unless modified or deleted by approval of the FHWA.
- E. All the requirements, guidelines, conditions and restrictions noted in all other pertinent Directives and Instructional Memoranda of the FHWA will apply to this contract and will be adhered to, as applicable, by the parties hereto.

## SECTION II

### PROJECT ADMINISTRATION AND SUPERVISION

- A. The DEPARTMENT shall provide such administrative guidance as it determines is required by the PROJECT in order to facilitate the obtaining of available federal and/or state funds.
- B. The DEPARTMENT will advertise and award all contracted portions of the PROJECT work. Prior to advertising of the PROJECT for receipt of bids, the REQUESTING PARTY may delete any portion or all of the PROJECT work. After receipt of bids for the PROJECT, the REQUESTING PARTY shall have the right to reject the amount bid for the PROJECT prior to the award of the contract for the PROJECT only if such amount exceeds by ten percent (10%) the final engineer's estimate therefor. If such rejection of the bids is not received in writing within two (2) weeks after letting, the DEPARTMENT will assume concurrence. The DEPARTMENT may, upon request, readvertise the PROJECT. Should the REQUESTING PARTY so request in writing within the aforesaid two (2) week period after letting, the PROJECT will be cancelled and the DEPARTMENT will refund the unused balance of the deposit less all costs incurred by the DEPARTMENT.
- C. The DEPARTMENT will perform such inspection services on PROJECT work performed by the REQUESTING PARTY with its own forces as is required to ensure compliance with the approved plans & specifications.
- D. On those projects funded with Federal monies, the DEPARTMENT shall as may be required secure from the FHWA approval of plans and specifications, and such cost estimates for FHWA participation in the PROJECT COST.
- E. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, and the supplemental specifications, Special Provisions and plans pertaining to the PROJECT and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. No extra work shall be performed nor changes in plans and specifications made until said work or changes are approved by the project engineer and authorized by the DEPARTMENT.

- F. Should it be necessary or desirable that portions of the work covered by this contract be accomplished by a consulting firm, a railway company, or governmental agency, firm, person, or corporation, under a subcontract with the REQUESTING PARTY at PROJECT expense, such subcontracted arrangements will be covered by formal written agreement between the REQUESTING PARTY and that party.

This formal written agreement shall: include a reference to the specific prime contract to which it pertains; include provisions which clearly set forth the maximum reimbursable and the basis of payment; provide for the maintenance of accounting records in accordance with generally accepted accounting principles, which clearly document the actual cost of the services provided; provide that costs eligible for reimbursement shall be in accordance with clearly defined cost criteria such as 49 CFR Part 18, 48 CFR Part 31, 23 CFR Part 140, OMB Circular A-87, etc. as applicable; provide for access to the department or its representatives to inspect and audit all data and records related to the agreement for a minimum of three years after the department's final payment to the local unit.

All such agreements will be submitted for approval by the DEPARTMENT and, if applicable, by the FHWA prior to execution thereof, except for agreements for amounts less than \$100,000 for preliminary engineering and testing services executed under and in accordance with the provisions of the "Small Purchase Procedures" FAPG (23 CFR 172), which do not require prior approval of the DEPARTMENT or the FHWA.

Any such approval by the DEPARTMENT shall in no way be construed as a warranty of the subcontractor's qualifications, financial integrity, or ability to perform the work being subcontracted.

- G. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements with railway companies, utilities, etc., as may be necessary for the performance of work required for the PROJECT but for which Federal or other reimbursement will not be requested.
- H. The REQUESTING PARTY, at no cost to the PROJECT, or the DEPARTMENT, shall secure, as necessary, all agreements and approvals of the PROJECT with railway companies, the Railroad Safety & Tariffs Division of the DEPARTMENT and other concerned governmental agencies other than the FHWA, and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. No PROJECT work for which reimbursement will be requested by the REQUESTING PARTY is to be subcontracted or performed until the DEPARTMENT gives written notification that such work may commence.

- J. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of the work it agrees to undertake and perform.
- K. The REQUESTING PARTY shall pay directly to the party performing the work all billings for the services performed on the PROJECT which are authorized by or through the REQUESTING PARTY.
- L. The REQUESTING PARTY shall submit to the DEPARTMENT all paid billings for which reimbursement is desired in accordance with DEPARTMENT procedures.
- M. All work by a consulting firm will be performed in compliance with the applicable provisions of 1980 PA 299, Subsection 2001, MCL 339.2001; MSA 18.425(2001), as well as in accordance with the provisions of all previously cited Directives of the FHWA.
- N. The project engineer shall be subject to such administrative guidance as may be deemed necessary to ensure compliance with program requirement and, in those instances where a consultant firm is retained to provide engineering and inspection services, the personnel performing those services shall be subject to the same conditions.
- O. The DEPARTMENT, in administering the PROJECT in accordance with applicable Federal and State requirements and regulations, neither assumes nor becomes liable for any obligations undertaken or arising between the REQUESTING PARTY and any other party with respect to the PROJECT.
- P. In the event it is determined by the DEPARTMENT that there will be either insufficient Federal funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, the DEPARTMENT, prior to advertising or issuing authorization for work performance, may cancel the PROJECT, or any portion thereof, and upon written notice to the parties this contract shall be void and of no effect with respect to that cancelled portion of the PROJECT. Any PROJECT deposits previously made by the parties on the cancelled portions of the PROJECT will be promptly refunded.
- Q. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.



### SECTION III

#### ACCOUNTING AND BILLING

A. Procedures for billing for work undertaken by the REQUESTING PARTY:

1. The REQUESTING PARTY shall establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this contract, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract.

The REQUESTING PARTY shall maintain the RECORDS for at least three (3) years from the date of final payment of Federal Aid made by the DEPARTMENT under this contract. In the event of a dispute with regard to the allowable expenses or any other issue under this contract, the REQUESTING PARTY shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

If any part of the work is subcontracted, the REQUESTING PARTY shall assure compliance with the above for all subcontracted work.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract, or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY, a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense and, (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate



arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, as amended, including, but not limited to, the Single Audit Amendments of 1996 (31 USC 7501-7507).

The REQUESTING PARTY shall adhere to the following requirements associated with audits of accounts and records:

- a. Agencies expending a total of \$500,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.

The agency shall submit two copies of:

The Reporting Package  
The Data Collection Form  
The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

b. Agencies expending less than \$500,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant number(s). This information must also be submitted to the address below.

c. Address: Michigan Department of Education  
Accounting Service Center  
Hannah Building  
608 Allegan Street  
Lansing, MI 48909

d. Agencies must also comply with applicable State laws and regulations relative to audit requirements.

e. Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

f. All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

2. Agreed Unit Prices Work - All billings for work undertaken by the REQUESTING PARTY on an agreed unit price basis will be submitted in accordance with the Michigan Department of Transportation Standard Specifications for Construction and pertinent FAPG Directives and Guidelines of the FHWA.
3. Force Account Work and Subcontracted Work - All billings submitted to the DEPARTMENT for Federal reimbursement for items of work performed on a force account basis or by any subcontract with a consulting firm, railway company, governmental agency or other party, under the terms of this contract, shall be prepared in accordance with the provisions of the pertinent FHPM Directives and the procedures of the DEPARTMENT. Progress billings may be submitted monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final

or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number \_\_\_\_\_", or "Final Billing".

4. Final billing under this contract shall be submitted in a timely manner but not later than six months after completion of the work. Billings for work submitted later than six months after completion of the work will not be paid.
5. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with Federal monies, the DEPARTMENT will act as billing agent for the REQUESTING PARTY, consolidating said billings with those for its own force account work and presenting these consolidated billings to the FHWA for payment. Upon receipt of reimbursement from the FHWA, the DEPARTMENT will promptly forward to the REQUESTING PARTY its share of said reimbursement.
6. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with non-Federal monies, the DEPARTMENT will promptly forward to the REQUESTING PARTY reimbursement of eligible costs.

**B. Payment of Contracted and DEPARTMENT Costs:**

1. As work on the PROJECT commences, the initial payments for contracted work and/or costs incurred by the DEPARTMENT will be made from the working capital deposit. Receipt of progress payments of Federal funds, and where applicable, State Critical Bridge funds, will be used to replenish the working capital deposit. The REQUESTING PARTY shall make prompt payments of its share of the contracted and/or DEPARTMENT incurred portion of the PROJECT COST upon receipt of progress billings from the DEPARTMENT. Progress billings will be based upon the REQUESTING PARTY'S share of the actual costs incurred as work on the PROJECT progresses and will be submitted, as required, until it is determined by the DEPARTMENT that there is sufficient available working capital to meet the remaining anticipated PROJECT COSTS. All progress payments will be made within thirty (30) days of receipt of billings. No monthly billing of a lesser amount than \$1,000.00 will be made unless it is a final or end of fiscal year billing. Should the DEPARTMENT determine that the available working capital exceeds the remaining anticipated PROJECT COSTS, the DEPARTMENT may reimburse the REQUESTING PARTY such excess. Upon completion of the PROJECT, payment of all PROJECT COSTS, receipt of all applicable monies from the FHWA, and completion of necessary audits, the REQUESTING PARTY will be reimbursed the balance of its deposit.

2. In the event that the bid, plus contingencies, for the contracted, and/or the DEPARTMENT incurred portion of the PROJECT work exceeds the estimated cost therefor as established by this contract, the REQUESTING PARTY may be advised and billed for the additional amount of its share.

C. General Conditions:

1. The DEPARTMENT, in accordance with its procedures in existence and covering the time period involved, shall make payment for interest earned on the balance of working capital deposits for all projects on account with the DEPARTMENT. The REQUESTING PARTY in accordance with DEPARTMENT procedures in existence and covering the time period involved, shall make payment for interest owed on any deficit balance of working capital deposits for all projects on account with the DEPARTMENT. This payment or billing is processed on an annual basis corresponding to the State of Michigan fiscal year. Upon receipt of billing for interest incurred, the REQUESTING PARTY promises and shall promptly pay the DEPARTMENT said amount.
2. Pursuant to the authority granted by law, the REQUESTING PARTY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its obligations as specified in PART I and PART II. If the REQUESTING PARTY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the REQUESTING PARTY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the REQUESTING PARTY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the REQUESTING PARTY with payment thereof, and to notify the REQUESTING PARTY in writing of such fact.
3. Upon completion of all work under this contract and final audit by the DEPARTMENT or the FHWA, the REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of costs previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand made by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Funds in settlement of said claim.

4. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT and upon completion of the PROJECT, payment of all items of PROJECT COST, receipt of all Federal Aid, if any, and completion of final audit by the DEPARTMENT and if applicable, by the FHWA, shall make final accounting to the REQUESTING PARTY. The final PROJECT accounting will not include interest earned or charged on working capital deposited for the PROJECT which will be accounted for separately at the close of the State of Michigan fiscal year and as set forth in Section C(1).
5. The costs of engineering and other services performed on those projects involving specific program funds and one hundred percent (100%) local funds will be apportioned to the respective portions of that project in the same ratio as the actual direct construction costs unless otherwise specified in PART I.

## SECTION IV

### MAINTENANCE AND OPERATION

A. Upon completion of construction of each part of the PROJECT, at no cost to the DEPARTMENT or the PROJECT, each of the parties hereto, within their respective jurisdictions, will make the following provisions for the maintenance and operation of the completed PROJECT:

1. All Projects:

Properly maintain and operate each part of the project, making ample provisions each year for the performance of such maintenance work as may be required, except as qualified in paragraph 2b of this section.

2. Projects Financed in Part with Federal Monies:

a. Sign and mark each part of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109(d).

b. Remove, prior to completion of the PROJECT, all encroachments from the roadway right-of-way within the limits of each part of the PROJECT.

With respect to new or existing utility installations within the right-of-way of Federal Aid projects and pursuant to FAPG (23 CFR 645B): Occupancy of non-limited access right-of-way may be allowed based on consideration for traffic safety and necessary preservation of roadside space and aesthetic quality. Longitudinal occupancy of non-limited access right-of-way by private lines will require a finding of significant economic hardship, the unavailability of practicable alternatives or other extenuating circumstances.

c. Cause to be enacted, maintained and enforced, ordinances and regulations for proper traffic operations in accordance with the plans of the PROJECT.

d. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior review by the DEPARTMENT and approval of the FHWA, if required.



- B. On projects for the removal of roadside obstacles, the parties, upon completion of construction of each part of the PROJECT, at no cost to the PROJECT or the DEPARTMENT, will, within their respective jurisdictions, take such action as is necessary to assure that the roadway right-of-way, cleared as the PROJECT, will be maintained free of such obstacles.
- C. On projects for the construction of bikeways, the parties will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT, and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.
- D. Failure of the parties hereto to fulfill their respective responsibilities as outlined herein may disqualify that party from future Federal-aid participation in projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

## SECTION V

### SPECIAL PROGRAM AND PROJECT CONDITIONS

- A. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the acquisition of right-of-way must be under construction by the close of the twentieth (20th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that right-of-way.
- B. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the performance of preliminary engineering must be under construction by the close of the tenth (10th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that preliminary engineering.
- C. On those projects funded with Federal monies, the REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, will provide such accident information as is available and such other information as may be required under the program in order to make the proper assessment of the safety benefits derived from the work performed as the PROJECT. The REQUESTING PARTY will cooperate with the DEPARTMENT in the development of reports and such analysis as may be required and will, when requested by the DEPARTMENT, forward to the DEPARTMENT, in such form as is necessary, the required information.
- D. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.
- E. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.



**APPENDIX A**  
**PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS**

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any 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. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

**APPENDIX B**  
**TITLE VI ASSURANCE**

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
  - a. Withholding payments to the contractor until the contractor complies; and/or
  - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

## **APPENDIX C**

### **TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES**

#### **Assurance that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR 26.13)**

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:**

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

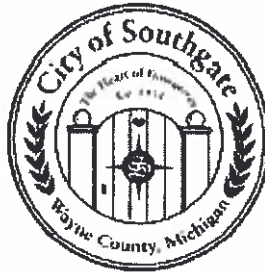
- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:**

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

JOSEPH G. KUSPA  
*Mayor*

JANICE M. FERENCZ  
*City Clerk*

JAMES E. DALLOS  
*Treasurer*



**City of Southgate**  
NORMA J. WURLINGER  
MUNICIPAL BUILDING

- CITY COUNCIL -

JOHN GRAZIANI  
*Council President*

KAREN E. GEORGE

MARK FARRAH

BILL COLOVOS

DALE W. ZAMECKI

PHILLIP J. RAUCH

CHRISTOPHER P. ROLLET

**Memorandum**

**To:** Honorable City Council Members

**From:** John J. Zech, City Administrator

**Date:** August 11, 2017

**Re:** MDOT Tap Grant Project (DTE Energy)

The second contract the Administration is asking the City Council to consider approving is between the DTE Energy and the City for the lights along the roadway and path. The amount of this contract is \$17,396.00. This amount must be totally covered by the City.

The City Engineers have reviewed this contract and have recommended that it be approved. Please find their letter attached.

The Assistant City Administrator/Finance Director has indicated that \$17,396.00 of Act 51 funds are available to cover this expense.

Therefore the Administration respectfully requests the City Council approve this contract and authorize the Mayor and City Clerk to sign it.

If you have any questions about this recommendation, please contact me.

**Cc:** Mayor Joseph G. Kuspa  
David Angileri  
John Hennessey  
Dustin Lent  
Bob Tarabula



July 31, 2017

Mr. John Zech, City Administrator  
City of Southgate  
14400 Dix-Toledo Highway  
Southgate, Michigan 48195

**Re: MDOT TAP Grant Pathway  
Recommendation of DTE Contract  
City of Southgate  
Hennessey Project No. 13088**


Dear Mr. Zech:

As part of the TAP Grant Pathway DTE will be installing electrical and light fixtures along the proposed pathway. This work was excluded from the MDOT bidding process to ensure the light fixtures would match those located in Market Center Park. Hennessey Engineers has reviewed the contract provided by DTE for a cost of \$17,396.00 to complete the proposed work and recommends the City proceed with the execution of the agreement.

If you have any questions, please do not hesitate to contact me at any time.

Very Truly Yours,

HENNESSEY ENGINEERS, INC



Troy Nuccio, P.E.  
Project Engineer

cc: Honorable Mayor Joseph Kuspa, City of Southgate  
City Council Members, City of Southgate  
Bob Tarabula, DPS Director, City of Southgate  
Dave Angileri, Finance Director, City of Southgate  
John J. Hennessey, P.E., Vice-President, Hennessey Engineers, Inc.  
File B.3

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2017-07-31.docx



## Exhibit A to Master Agreement

### Purchase Agreement

This Purchase Agreement (this "Agreement") is dated as of July 10, 2017] between The Detroit Edison Company ("Company") and [City of Southgate ] ("Customer").

This Agreement is a "Purchase Agreement" as referenced in the Master Agreement for Municipal Street Lighting dated [February 24, 2014] (the "Master Agreement") between Company and Customer. All of the terms of the Master Agreement are incorporated herein by reference. In the event of an inconsistency between this Agreement and the Master Agreement, the terms of this Agreement shall control.

Customer requests the Company to furnish, install, operate and maintain street lighting equipment as set forth below:

1. DTE Work Order Number:	[45079781] If this is a conversion or replacement, indicate the Work Order Number for current installed equipment: [##### or N/A]	
2. Location where Equipment will be installed:	[Southgate Market Center], as more fully described on the map attached hereto as <u>Attachment 1</u> .	
3. Total number of lights to be installed:	[10]	
4. Description of Equipment to be installed (the " <u>Equipment</u> "):	(10-80w Acorn Style fixtures on 12' Aluminum direct buried post.)	
5. Estimated Total Annual Lamp Charges	\$2,983.00	
6. Computation of Contribution in aid of Construction (" <u>CIAC Amount</u> ")	Total estimated construction cost, including labor, materials, and overhead:	\$26,344.00
	Credit for 3 years of lamp charges:	\$8,948.00
	<b>CIAC Amount (cost minus revenue)</b>	<b>\$17,396.00</b>
7. Payment of CIAC Amount:	Due promptly upon execution of this Agreement	
8. Term of Agreement	5 years. Upon expiration of the initial term, this Agreement shall continue on a month-to-month basis until terminated by mutual written consent of the parties or by either party with thirty (30) days prior written notice to the other party.	
9. Does the requested Customer lighting design meet IESNA recommended practices?	(Check One) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "No", Customer must sign below and acknowledge that the lighting design does not meet IESNA recommended practices _____	
10. Customer Address for Notices:	[14400 Dix- Toldeo] [Southgate, MI 48195] [John Zech]	



11. Special Order Material Terms:

All or a portion of the Equipment consists of special order material: (check one) ☐ YES ☒ NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. Customer acknowledges that all or a portion of the Equipment is special order materials ("SOM") and not Company's standard stock. Customer will purchase and stock replacement SOM and spare parts. When replacement equipment or spare parts are installed from Customer's inventory, the Company will credit Customer in the amount of the then current material cost of Company standard street lighting equipment.

B. Customer will maintain an initial inventory of at least 0 posts and 0 luminaires and any other materials agreed to by Company and Customer, and will replenish the stock as the same are drawn from inventory. Costs of initial inventory are included in this Agreement. The Customer agrees to work with the Company to adjust inventory levels from time to time to correspond to actual replacement material needs. If Customer fails to maintain the required inventory, Company, after 30 days' notice to Customer, may (but is not required to) order replacement SOM and Customer will reimburse Company for such costs. Customer's acknowledges that failure to maintain required inventory could result in extended outages due to SOM lead times.

C. The inventory will be stored at \_\_\_\_\_. Access to the Customers inventory site must be provided between the hours of 9:00 am to 4:00 pm, Monday through Friday with the exceptions of federal Holidays. Customer shall name an authorized representative to contact regarding inventory: levels, access, usage, transactions, and provide the following contact information to the Company:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

The Customer will notify the Company of any changes in the Authorized Customer Representative. The Customer must comply with SOM manufacturer's recommended inventory storage guidelines and practices. Damaged SOM will not be installed by the Company.

D. In the event that SOM is damaged by a third party, the Company may (but is not required to) pursue a damage claim against such third party for collection of all labor and stock replacement value associated with the damage claim. Company will promptly notify Customer as to whether Company will pursue such claim.

E. In the event that SOM becomes obsolete or no longer manufactured, the Customer will be allowed to select new alternate SOM that is compatible with the Company's existing infrastructure.

F. Should the Customer experience excessive LED equipment failures, not supported by LED manufacturer warrantees, the Company will replace the LED equipment with other Company supported Solid State or High Intensity Discharge luminaires at the Company's discretion. The full cost to complete these replacements to standard street lighting equipment will be the responsibility of the Customer.

12. Experimental Emerging Lighting Technology ("EELT") Terms:

All or a portion of the Equipment consists of EELT: (check one) ☒ YES ☐ NO

If "Yes" is checked, Customer and Company agree to the following additional terms.

A. The annual billing lamp charges for the EELT equipment has been calculated by the Company are based upon the estimated energy and maintenance cost expected with the Customer's specific pilot project EELT equipment. .

B. Upon the approval of any future MPSC Option I tariff for EELT street lighting equipment, the approved rate schedules will automatically apply for service continuation to the Customer under Option 1 Municipal Street Lighting Rate, as approved by the MPSC. The terms of this paragraph B replace in its entirety Section 7 of the Master Agreement with respect to any EELT equipment purchased under this Agreement.

\*\*\*\*\*

Company and Customer have executed this Purchase Agreement as of the date first written above.

Company:

Customer:

The Detroit Edison Company

[City of Southgate]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

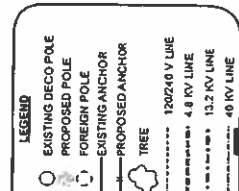
Title: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachment 1 to Purchase Agreement**

**Map of Location**

[To be attached]



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