

**City of Swartz Creek  
AGENDA**

**Regular Council Meeting, Monday, February 25, 2019, 7:00 P.M.  
Paul D. Bueche Municipal Building, 8083 Civic Drive Swartz Creek, Michigan 48473**

1. **CALL TO ORDER**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**  
4A. Council Meeting of February 11, 2019 MOTION Pg. 21
5. **APPROVE AGENDA:**  
5A. Proposed / Amended Agenda MOTION Pg. 1
6. **REPORTS & COMMUNICATIONS:**  
6A. City Manager's Report MOTION Pg. 3  
6B. MML Liability Meeting Notes & Dividend Notice Pg. 25  
6C. Cannabis Information Pg. 29  
6D. Lawn Kings Offer to Extend Prices & Current Agreement Pg. 36  
6E. AT&T Metro Act Extension Request Pg. 54  
6F. Fairchild Street Bids & Third Party Agreement Pg. 55  
6G. January Police Activity & Budget Report Pg. 99  
6H. Energy Reduction Coalition Report Forthcoming
7. **MEETING OPENED TO THE PUBLIC:**  
7A. General Public Comments
8. **COUNCIL BUSINESS:**  
8A. 2020-2023 Traffic Improvement Program Financial Commitment RESO Pg. 16  
8B. Fairchild Street Third Party Agreement RESO Pg. 17  
8C. Board of Review Alternate Appointment RESO Pg. 18  
8D. Lawn Kings Mowing Service Extension RESO Pg. 19  
8E. ERC Conversion Participation RESO Pg. 20
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION

**Next Month Calendar**

Metro Police Board:	Wednesday, February 27, 2019, 10:00 a.m., Metro Headquarters
Planning Commission:	Tuesday, March 5, 2019, 7:00 p.m., PDBMB
Park Board:	Wednesday, March 6, 2019, 5:30 p.m., PDBMB
City Council:	Monday, March 11, 2019, 7:00 p.m., PDBMB
Downtown Development Authority:	Thursday, March 14, 2019, 6:00 p.m., PDBMB
Fire Board:	Monday, March 18, 2019, 6:00 p.m., Public Safety Bldg
Zoning Board of Appeals:	Wednesday, March 20, 2019, 6:00 p.m., PDBMB
City Council:	Monday, March 25, 2019, 7:00 p.m., PDBMB

## **City of Swartz Creek Mission Statement**

The City shall provide a full range of public services in a professional and competent manner, assuring that the needs of our constituents are met in an effective and fiscally responsible manner, thus promoting a high standard of community life.

## **City of Swartz Creek Values**

The City of Swartz Creek's Mission Statement is guided by a set of values which serve as a common operating basis for all City employees. These values provide a common understanding of responsibilities and expectations that enable the City to achieve its overall mission. The City's values are as follows:

### ***Honesty, Integrity and Fairness***

The City expects and values trust, openness, honesty and integrity in the words and actions of its employees. All employees, officials, and elected officials are expected to interact with each other openly and honestly and display ethical behavior while performing his/her job responsibilities. Administrators and department heads shall develop and cultivate a work environment in which employees feel valued and recognize that each individual is an integral component in accomplishing the mission of the City.

### ***Fiscal Responsibility***

Budget awareness is to be exercised on a continual basis. All employees are expected to be conscientious of and adhere to mandated budgets and spending plans.

### ***Public Service***

The goal of the City is to serve the public. This responsibility includes providing a wide range of services to the community in a timely and cost-effective manner.

### ***Embrace Employee Diversity and Employee Contribution, Development and Safety***

The City is an equal opportunity employer and encourages diversity in its work force, recognizing that each employee has unlimited potential to become a productive member of the City's team. Each employee will be treated with the level of respect that will allow that individual to achieve his/her full potential as a contributing member of the City staff. The City also strives to provide a safe and secure work environment that enables employees to function at his/her peak performance level. Professional growth opportunities, as well as teamwork, are promoted through the sharing of ideas and resources. Employees are recognized for his/her dedication and commitment to excellence.

### ***Expect Excellence***

The City values and expects excellence from all employees. Just "doing the job" is not enough; rather, it is expected that employees will consistently search for more effective ways of meeting the City's goals.

### ***Respect the Dignity of Others***

Employees shall be professional and show respect to each other and to the public.

### ***Promote Protective Thinking and Innovative Suggestions***

Employees shall take the responsibility to look for and advocate new ways of continuously improving the services offered by the City. It is expected that employees will perform to the best of his/her abilities and shall be responsible for his/her behavior and for fulfilling the professional commitments they make. Administrators and department heads shall encourage proactive thinking and embrace innovative suggestions from employees.

**City of Swartz Creek**  
**CITY MANAGER'S REPORT**

Regular Council Meeting of Monday, February 25, 2019 - 7:00 P.M.

**TO:** *Honorable Mayor, Mayor Pro-Tem & Council Members*  
**FROM:** Adam Zettel, City Manager  
**DATE:** February 21, 2019

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**ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS**

✓ **MICHIGAN TAX TRIBUNAL APPEALS** (*No Change of Status*)

Desert Sun Holdings (office at 6197 Miller) – Appraisal is done and there was a small claim hearing on Dec 11 which the assessor attended. Evidence was due on Nov 20 and the city did not receive anything from the petitioner. There are no additional findings at this point.

Shkrelli (golf course) – This appeal has been withdrawn, but not before we spent resources to complete an appraisal. While the value has been successfully defended in this process, the petition is able to force our hand to invest in the defense, while investing nothing themselves. This creates a tremendous disadvantage to governments. We will attempt to recover costs from frivolous cases such as this. This will be removed from future reports.

Huizinga (office at 6195 Miller) – The appraisal has been done and submitted. The next steps for this will be in January.

✓ **STREETS** (*See Individual Category*)

✓ **2017-2020 TRAFFIC IMPROVEMENT PROGRAM (TIP)** (*Business Item*)

The project bid has been accepted by MDOT, and the state contract has been executed. I am including the bids and engineers comments. The contractor is known to us and has done quality work in the past. Unfortunately, our expected contribution is going from \$53,876 to \$65,160. This is a relatively small amount considering the scope of the project. Note that we will also be working on lighting for the street intersection at Ingalls to create more safety for students.

Because of program rules, we now require a third party agreement to enable engineering of the construction phase of the project. Though this state requirement may not prevail with future projects, for now we must abide by rules that require the three engineering phases (submission, preliminary design, and observation/inspection) to be done by three different parties.

As such, we have completed the first two phases and must now assign the final phase, construction engineering. This is a duty for OHM Advisors. We have the requisite third party agreement attached along with a resolution.

We expect to have this project underway right after school is out. The preconstruction meeting should be in May.

✓ **2020-2023 TRAFFIC IMPROVEMENT PROGRAM (TIP) (Business Item)**

The city submitted projects for funding that included: the west end of Miller Road, Seymour Road, and Morrish Road (Bristol to Miller). The applications were submitted on November 16<sup>th</sup> and it appears Morrish Road has been accepted for funding. While this may not make much sense at first glance since Miller and Seymour are in worse condition, it does make sense when one considers that the county is now allocating funds for streets in various levels of deterioration as a form of asset management. In short, they are finally subscribing to the philosophy that an ounce of prevention is worth a pound of cure. The result is a 'mix of fixes' that covers various levels of deterioration and a spectrum of funding levels.

As such, we are thrilled that Morrish can be addressed prior to failure. Unfortunately, this leaves us in a bind for Miller and Seymour. We can go another three years for each and seek rehabilitation funds in the next cycle. However, if one or both are not awarded in the 2023-2026 cycle, we will have decisions to make.

For now, we are being asked to commit our match portion to this project. It is clearly in our best interest to do so since the funding ratio is 80-20.

✓ **STREET PROJECT UPDATES (Update)**

*This is a standing section of the report on the status of streets as it relates to our dedicated levy, 20 year plan, ongoing projects, state funding, and committee work. Information from previous reports can be found in prior city council packets.*

We are working on lighting for Helmsley with the new team that CE has put together. The preconstruction meeting should be in May. The previous report follows:

Helmsley is now in the hopper for 2019 (excluding water main, which is newer). Design engineering is underway and we held a preliminary construction meeting with the contractor and engineer. We do not anticipate any issues. Work will commence after school ends, with final landscape restoration later in the fall.

The engineering proposal for 2020 local streets with OHM is approved and work is underway. The scope includes a section of Oakview, Chelmsford, and Oxford (including the last small stretch of Winston). Note that it is unlikely we will have a budget to do all of those sections in 2020 since state revenues have not been forthcoming as expected. However, it is work that needs to be completed for the USDA watermain on those streets in the next three years. Notable issues currently include the form and responsibility of the bus lane on Oakview by Syring. We will liaise with the school regarding this and how they wish to proceed with the bond improvements.

Lastly, we will be applying for a state 'Category B' grant to get additional street work done this year. The grant is up to \$250,000 and prioritizes local streets that can be done in tandem with utility work during 2019. Based upon these parameters, we believe we can put together a plan for Hill Road. This segment does not require full depth reconstruction, nor does it have extensive utility work or curb and gutter to design. It is also a street that is experiencing rapid deterioration that is not slated for

work until late in the program. We also believe it is appropriately priced for the grant. Submissions are due very soon, with awards in May. I will keep the council informed.

✓ **WATER – SEWER ISSUES PENDING** (*See Individual Category*)

✓ **SEWER REHABILITATION PROGRAM** (*Update*)

2018-2019 winter sewer projects have been approved. The scope includes lining improvements and video service at a cost of \$197,772. There are some small connections between collectors in the Winchester Village that need to be done. Liquiforce will also complete the large collector on Durwood and a downtown line, School Street. As of writing, the pipe preparation and measurement will begin the last week of February, with lining to begin in March.

This multi-year program is on schedule and budget. Based upon current rates and existing fund balance, staff may recommend expending more in the next year or two on the sewer rehabilitation plan in order to get some higher risk assets completed more quickly.

✓ **WATER MAIN REPLACEMENT** (*No Change of Status*)

A water use agreement is being reviewed by USDA staff. Easements for public water main that are required but previously undocumented are near complete. Engineering continues. Bond counsel and other team members have been tentatively assembled and await progress. The previous report follows:

On September 13<sup>th</sup>, we met with the feds about other steps and conditions of funding. We are in a good position to benefit from the nearly \$5,000,000 grant/loan, with the understanding that we will be putting the project out to bid in 2019, with some components to be completed in 2020 and 2021.

Concerning the Genesee County Drain Commission - Water and Waste Services Division Water Master Plan, we received notice that they are considering a northern loop to provide redundancy and stability to the system. This is good news since Gaines and Clayton Township rely on the overstressed Miller line. There is currently not any cost or participation information available. I will keep the council informed.

The city has been working with the county to abandon the Dye Road water main in the vicinity of the rail line. Note that we are holding this action pending the master plan review. This line is prone to breaks, which can be very costly and dangerous near the rail spur. The intention would be to connect our customers to the other side of the street, onto the county line. It appears the transition cost would be about \$25,000. We will work with the county on this matter and report back on our findings.

Lastly, the city should probably complete full demolition on the “Brown Road” site (the old well head) and sell this property. This is not a high priority, but it is now on our radar.

✓ **POLICE SERVICE** (*Update*)

The January activity report is included in the packet. Among many required appointments as noted in this report, we have some big changes in the board composition as Mr. Pinkston and Mr. Porath are resigning from the Metro Police Authority Board. Mrs. Hicks and Mr. Cramer are recommended to replace them.

The interlocal agreement amendments and related prosecution agreements have been approved and are being executed. Metro is able to proceed with their strategic objectives for 2019, including traffic enforcement, code compliance, enhanced school services, and drug enforcement. All of these policing objectives are proceeding with additional staff resources that are in the budget.

The authority is also getting interest from communities in the area, including some in Livingston County.

✓ **HERITAGE VACANT LOTS** *(No Change of Status)*

The last of the lots acquired prior to the special assessment have been approved for sale. The city has two more lots that were acquired through the tax reversion process. If there is no objection, I will look to prepare instruments for the two units acquired in 2017 at new, negotiated pricing if requested by the buyer, JW Morgan, at some point in the future.

✓ **NEWSLETTER** *(No Change of Status)*

The Spring newsletter will be upon us soon, so let me know if you have content ideas.

✓ **HOLLAND SQUARE & STREETScape** *(Update)*

Green Tech Systems, LLC has been approved to construct the 2019 streetscape project by the city council and DDA. The preconstruction meeting should be in May. We are hopeful that we will have a timely and well-constructed summer project.

The DDA affirmed their participation at their meeting on February 21. As we get into the end of the project, which will be in the next fiscal year, we will have a better understanding of the total project cost and the subsequent loan instrument that will result.

The plans can still be altered in scope and detail, even after construction commences. See prior reports for more details on the evolution of this process.

✓ **TRAILS** *(Update)*

A new application is being put together for the April submission. The previous report follows:

The city did not receive the sought DNR grant in the amount of \$300,000. After debriefing with the consultant and staff with the state, we believe we can resubmit a fundable project this year that can be commenced on schedule in 2020. To do so, we will need to complete engineering prior to the award.

The DNR grant is crucial to offset the 35% that the city must cover to match the Enhancement Grant. The MDOT Enhancement Grant is conditionally awarded. We hope this covers 65% of the investment. Work with Consumers Energy and CN Rail is

positive for those project components that require their engagement. We are still working with the MTA and GM on some easements and permissions.

Note that the city will still be heavily invested in this, even if both grants are awarded. Count on a general fund outlay of \$200,000 for all engineering, construction, and inspection services. Any overages (price changes and change orders) will be locally covered as well.

The project timeline will be revised. At its core, it should still reflect a 2020 construction timeframe. The difference is that we plan to engineer the project sooner than anticipated so we can bid it upon a conditional DNR award in a year's time.

✓ **REDEVELOPMENT READY COMMUNITIES** *(No Change of Status)*

The planning commission discussed the next round of zoning updates again at their February meeting. This time around, there was a much better understanding of the situation and much conversation was had. The commission set the consultant loose on the zoning code to create draft language for 'conditional' uses. This will be presented and deliberated at the March meeting, with the intention of holding a formal zoning amendment public hearing in April.

Additional changes to the zoning code will likely follow, including consolidating the industrial districts, providing for planning commission approval authority of site plans, and other general provisions. This process will likely go through late summer or fall.

The Economic Development Strategy Committee met on the 18<sup>th</sup> of December and further deliberated on the draft Economic Development Strategy. There is a strong sense that downtown design, function, and events are a priority that will require a strong partnership with the city, DDA, and Chamber of Commerce.

The following RRC components are also at the forefront of our improvement and certification efforts:

- Development review flowchart and checklist **(In Progress)**
- Integrated community development webpage for city/DDA processes and programs **(Complete)**
- Economic Development Strategy for the city and its partners (chamber of commerce, schools, etc.) **(In Progress)**
- Public participation plan and tracking methods **(In Progress)**
- Consolidated capital improvement plan (compiled list of street, water, sewer, park and other investment for the next six years) **(Complete)**

✓ **DOG PARK** *(No Change of Status)*

The scouts are still active in fundraising and plan to complete this. The most recent report indicates that the scouts have 75% of the sought \$8,000 for this project. I am hopeful they can make this a 2019 project.

✓ **DURAND AREA INDUSTRY - PROJECT TIM** *(No Change of Status)*

This project seems cold and quiet. However, it appears there are still valid purchase agreements in place for the development, and there are state and local bureaucrats



continuing work on contingency plans for utility and traffic modelling. It is anyone's guess at this point. Please see prior packets for information on the project and its evolution.

✓ **TAX REVERTED PROPERTY USE** *(Update)*

5157 Morrish Road has been sold. The vacant land on Wade Street has not been purchased, but the buyer says they will acquire it under approved terms. I have my doubts now and am looking to get written affirmation of their intent. If I cannot secure this or a transfer by the end of March, I recommend we seek another buyer or use.

✓ **8002 MILLER** *(Update)*

The contractor has pulled a building permit and we have had a full preconstruction meeting. Work was going to commence on or about February 18<sup>th</sup>, but the weather and parking lot/dumpster accommodations were not conducive to the project. We now expect work to begin in early March. A completion timeline has not been set. Time is on our side with this since it gives the user more time to establish their new business and contribute more monthly payments to the project.

✓ **MILLER ROAD DRAIN** *(Update)*

The contractor is working as I write this (Wednesday afternoon).

✓ **GROUNDWATER WITHDRAWAL ORDINANCE** *(No Change of Status)*

The groundwater withdrawal ordinance for the Holland Square project is in the final phase. As noted previously, the practical impact of this is small, since wells are no longer permitted in the city and there are no known 'grandfathered' wells in the impacted area.

The council held a public hearing at our meeting on April 23rd. ExxonMobil, the Michigan DEQ, and other representatives will now be reaching out to property owners to research if there are any well impacts. Once this is done, we should be able to proceed with the ordinance. Representatives of Exxon indicated a fall timeline for approval.

✓ **SCHOOL FACILITY PROPOSAL** *(No Change of Status)*

This section shall now be a standing section of the report, giving details on expectations for projects and their ongoing progress within the city and district. As of writing, we know the bond can be issued and work shall commence in 2019, 2020, and 2021. It will include all facilities, including athletic facilities at the high school. We expect cooperation and benefit in terms of establishing safer connections for walkers, better land grades (e.g. the football field), and more attractive gateways.

✓ **PAUL FORTINO PROPERTY PROPOSAL** *(Update)*

The DDA reviewed the architectural plans favorably at their meeting on January 10<sup>th</sup>. There were recommendations made to enhance the marketability and function in light of comparable housing and housing that is not yet in the market place.

As of February 20<sup>th</sup>, new architectural plans are expected in the next week and condominium documents are nearly complete. Once the DDA affirms design and



layout, a site plan before the planning commission will be the next step. If agreeable, a land sale with development terms will follow. This will be a city council decision.

Please see the DDA packets for details. In short, it appears the builder is interested in proceeding with fifteen 1,600 square foot, two story condos, with garages. There are opportunities and threats, of course, but exploration is proceeding methodically.

As noted in the last communication with the builder, there may be a potential 'ask' for sewer/water tap fee waivers in order to add value to other parts of the site. Though a common practice in economic development, the city has not done this in recent history. I would be interested to know what the council thinks.

✓ **MUNICIPAL CIVIL INFRACTIONS VIOLATIONS BUREAU** *(No Change of Status)*

Metro Police, the city attorney, and staff continue to look at the transfer of the municipal infraction bureau as well, for reasons similar to the parking violations bureau. Since the police are the ones that we want enforcing violations for code, blight, and nuisances they should be maintaining the citations, records, and ability to prosecute. Doing so will require an ordinance amendment and subsequent administrative changes. I will keep the city council informed.

✓ **SPORTS CREEK RACEWAY & GAMING COMMISSION** *(No Change of Status)*

I have asked the owner to attend a council meeting, as requested. He indicates a willingness to do so, but he has requested additional time to see to essential matters. The previous report follows:

The property has sold! Staff met with the new owners, utilities have been transferred, and we have recorded a property transfer affidavit. It appears the plan is to proceed with use of the raceway for thoroughbred racing, however the state approvals and legislation relating to this are not looking promising. It appears that 2019 live racing and simulcasting are unlikely.

The owner appears very communicative and interested in making the facility more community oriented. They are open to cooperative planning, potential reuse of parts of the site, and engaging in stronger hospitality uses related to racing. However, there are many unknown and important circumstances at play, such as the racing industry as regulated by the state, the potential (right or wrong) for sports gambling, and demand from Project Tim.

Summarily, I believe the transfer will enable some sort of positive economic use in the years to come, but the path is not clear at this point due to the circumstances. However, I have a high degree of trust and confidence in the owner so far and will wait for the dust to settle for them with a renewed sense of optimism.

Future reports will obviously follow. Immediate steps for us are to work with the owner on site safety and compliance, as well as the potential for short term use as a horse racing venue. We will also connect them with our Downtown Development Authority and the Redevelopment Ready Communities Program state resources.

✓ **CDBG** *(No Change of Status)*

The CDBG standard application has been submitted. Desirable projects include Swartz Creek Area Senior Services and improvement of the senior center facility (parking area). The potential to place funds in the HOME Program also exists. This is a three year cycle, and I am not sure when the distributions will occur. This section may or may not remain in the report depending upon timing and relevance.

✓ **MDOT WARRANTY PROGRAM** *(No Change of Status)*

A state legislative mandate will require some local policy updates and subsequent procedural follow-up on how we bid, guarantee, and report on road construction projects. This will be something we address prior to September of 2019. The notice and original report are included in the November 26, 2018 packet.

✓ **FACILITY LIGHT CONVERSION** *(Business Item)*

The audit by the Energy Reduction Coalition is complete, and I met with the consultant Friday morning. Based upon circumstances, it appears we can proceed with the conversion. I have a draft of the report, but there are some features that need to be updated by the consultant before I forward this. I expect this today or Monday.

In short, the conversion will cost about \$90,000 for all city lights, of which there are over 1,332. This includes lights, ballasts, and electrical services in buildings, parking areas, and other facilities. This does not include street lights. The city will provide none of these costs directly, but will instead cover this initial investment, replacement inventory, and replacement labor on an ongoing basis through savings sharing with ERC.

What we can expect is initial monthly savings of about \$300 a month after we take energy, fixtures, labor, and our ERC contribution into account. By the end of the program, this figure will be closer to \$800 a month using today's rates. Of course, there is the intrinsic value of having new LED lights in all facilities and grounds.

I hope we have the report and presentation in a form by Monday that allows for deliberation and a decision. I have included a resolution to proceed. If there are concerns, we can delay or withdraw from the process.

✓ **SAFE ROUTES TO SCHOOL** *(No Change of Status)*

The city and school have approved cooperation to proceed with the technical assistance grant offered by the Crim Fitness Foundation. Their staff expect to begin working in the community in March.

✓ **SCHOOL BUILDING REVIEW & INSPECTION SERVICES** *(Update)*

The city and school board have approved the transfer, and I have delivered the execution copy. The school intends to begin work on some elementary schools, including Elms, this summer.

✓ **OTHER COMMUNICATIONS & HAPPENINGS** *(See Individual Category)*

✓ **CANNABIS INFORMATION** *(Update)*

Councilmember Hicks has come across some information on cannabis that she wishes the council to consume.

✓ **MONTHLY REPORTS** *(Update)*

The monthly budget report is included.

✓ **MML LIABILITY MEETING NOTES AND DIVIDEND (Update)**

We have had our annual review by our insurance provider, and I am including their notes. We are in good shape overall. From an experience standpoint, we are greatly improving in our losses. This is always good. We have also shored up our employee handbook and continue to work on policies/training that are recommended by the risk management professionals (e.g. hands free vehicle operation policy/training/equipment).

In addition, I am communicating their dividend statement. Because the MML affiliated Meadowbrook insurance that we pool with for coverage is non-profit, we received substantial dividends regularly. This year, we are going to receive a dividend (refund) of about 12%. This is very good.

Note that I have been shopping these services around out of prudence. Though I am very happy with how Meadowbrook has been handling and settling claims and providing for other losses, it is always wise to check the field. After making rate calls for comparable coverage and consulting with others on the ability/capacity to handle legal claims, I am confident that we are still in good hands when it comes to cost for benefit. They not only are extraordinarily timely and efficient at handling claims, both big and small, they are also adept at consulting on policy and risk assessment for government issues. As such, I am not recommending a change in this professional service.

✓ **BOARDS & COMMISSIONS (See Individual Category)**

✓ **PLANNING COMMISSION (No Change of Status)**

The planning commission met on February 5<sup>th</sup>. They selected Doug Stephens as chair, Dennis Pinkston as vice-chair, and Angie Root as secretary. The positions remain unchanged, noting that Mrs. Root was put in the secretary position in December of 2018 to replace commission Farmer.

The commission reviewed the zoning code (see Redevelopment Ready Communities section above). They also held general discussion about community happenings.

Lastly, the commission reviewed the concept of a monument sign with a changeable message board at the raceway. The owner is interested in replacing the old sign with a large monument sign of durable materials that would function as a community gateway sign, as well as a sign to provide commercial speech. The notable issue at hand would be whether or not the sign could promote off-premise commercial speech (could it function as a billboard). Currently the zoning does not allow that. The commission was open to considering that as an option for this site given its unique circumstances, provided there was sufficient public benefit in promoting the community.

Given the agreeable feedback, I suspect the raceway may petition the city for a sign variance or use variance to permit this in the near future.

The next meeting is scheduled for March 5th.

✓ **DOWNTOWN DEVELOPMENT AUTHORITY (Update)**

The DDA met on February 21<sup>st</sup>. They conditional approved a façade grant for Expressions in Silk. They also affirmed participation in the streetscape project. Good things are happening!

Next month, we expect to have townhome architectural plans in, with a site plan to follow. The next regular meeting is scheduled for March 14th, one week late due to staffing matters.

✓ **ZONING BOARD OF APPEALS (Update)**

There will be training for the ZBA during their annual meeting on March 20th.

✓ **PARKS AND RECREATION COMMISSION (Update)**

The Park Board met on February 6th at city hall. The draft minutes were in the report of February 11th. They discussed many ongoing projects and events.

The next meeting will be on March 6th.

✓ **BOARD OF REVIEW (Update)**

The busy season for BoR members is coming up, beginning on March 5 with training/organizational meeting. Hearings will be:

March 18<sup>th</sup> 9am-12pm & 6pm-9pm

March 19<sup>th</sup> 9am-12pm

March 20<sup>th</sup> 9am-12pm

## **NEW BUSINESS / PROJECTED ISSUES & PROJECTS**

✓ **AT&T METRO ACT EXTENSION (Update)**

AT&T is requesting an extension to their right-of-way permit. We looked at this in 2015. This permit is what enables telecommunication providers to operate within a municipality and make use of the right of way. The applicable regulations and processes are enabled by the metropolitan extension telecommunications rights-of-way oversight act, Public Act 48 of 2002. The intention of the “metro act” is to remove most local control over a utility so that there is uniform, predictable, and expedited regulatory environment for national level providers of telecommunication services. This permit is not affiliated with the ‘small cell’ issues we have recently discussed.

The up side to this legislation is improved access and competition statewide, without individual units creating localized operational hardships for an essential service. The downside is that local communities have basically had the ability to control specific features within our right-of-ways striped. A good example is the Bristol Road project from a decade ago. The city incurred approximately \$40,000 in added costs because of Verizon’s presence in our right-of-way. This was exacerbated by their lack of cooperation and planning. The city appealed the damages to the Michigan Public Service Commission. There was never a favorable outcome.

Recommendation? We have already tried to assert some level of control and influence over this process. We have gone a few rounds with providers during the initial application phase, we have taken concerns to the MPSC, and we have slammed fists on tables. At this point, our strategy is to enable these permits without further ado and work hard to develop positive rapport with area and regional managers within each providers' bureaucracy. This appears to be working with Consumers Energy.

I intend to approve this extension, but I wanted to make the council aware and allow for objections or comments on the extension. The last extension was granted in March of 2015. An excerpt from our ordinance pertaining to approvals is as follows:

*Appendix B, Article VI, Section 5 Approval or Denial. The authority to approve or deny an application for a permit is hereby delegated to the City Manager. Pursuant to Section 15(3) of the Act, the City Manager shall approve or deny an application for a permit within forty-five (45) days from the date a telecommunications provider files an application for a permit under Section 4 of this ordinance for access to a public right-of-way within the City. Pursuant to Section 6(6) of the Act, the City Manager shall notify the MPSC when the City Manager has granted or denied a permit, including information regarding the date on which the application was filed and the date on which permit was granted or denied. The City Manager shall not unreasonably deny an application for a permit.*

An excerpt from PA 48 of 2002 as it relates to the granting of permits is as follows:

*Sec. 15.*

*(1) Except as otherwise provided in this section, a municipality shall, upon application, grant to providers a permit for access to and the ongoing use of all public rights-of-way located within its municipal boundaries. A municipality shall act reasonably and promptly on all applications filed for a permit involving an easement or public place.*

*(2) This section shall not limit a municipality's right to review and approve a provider's access to and ongoing use of a public right-of-way or limit the municipality's authority to ensure and protect the health, safety, and welfare of the public.*

*(3) A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way. A provider's right to access and use of a public right-of-way shall not be unreasonably denied by a municipality. A municipality may require as a condition of the permit that a bond be posted by the provider, which shall not exceed the reasonable cost to ensure that the public right-of-way is returned to its original condition during and after the provider's access and use.*

*(4) Any conditions of a permit granted under this section shall be limited to the provider's access and usage of any public right-of-way.*

*(5) A provider undertaking an excavation or constructing or installing facilities within a public right-of-way or temporarily obstructing a public right-of-way, as authorized by the permit, shall promptly repair all damage done to the street surface and all installations on, over, below, or within the public right-of-way and shall promptly*

*restore the public right-of-way to its preexisting condition. The authority shall also have the jurisdiction to require the repair and restoration of any right-of-way, including state right-of-way, which has not been repaired or restored after installation.*

✓ **APPOINTMENTS (Update)**

Due to the passing of Mr. Edgerton, the BoR Alternate has been appointed to one of the three sitting positions. As such, there has been a vacancy with the alternate position.

This position was created a few years back to enable someone to learn about the functions and technical aspects of the BoR before regularly participating in the decision making process. I believe the concept has worked well in both instances in which an alternate was 'promoted'. Larry Cummings, a resident and Park Board member is recommended by Mayor Krueger.

In addition, we have a big announcement to make. Mr. Porath is resigning as a City Council member, effective February 28<sup>th</sup>. Mr. Porath and his family indicated that this was possible, but I think most folks hoped would not be realized any time soon. However, here we are. In addition, Mr. Pinkston is reducing his work load and resigning from the police authority and planning commission.

These two changes leave a gaping hole in many of our boards and commissions. In addition to needing to fill a council seat (expected in March), the city has a number of board and commission appointments to make on planning commission, zoning board of appeals, the police authority, and the fire authority.

Thankfully, we have had other council members take it upon themselves to be engaged and informed regarding these matters. As such, the Mayor has some recommendations that are in resolution form for replacement appointments.

✓ **2019-2020 MOWING CONTRACT PROPOSAL (Business Item)**

The city conducted sealed bids to select the city's mowing contractor for the 2017-2018 seasons, technically expiring January of 2019. Lawn Kings was found to be the low bid. They were also the low bid as far back as 2013, with a two year contract that was extended by one year. Overall, they have been servicing the city since 2013 and have shown an increased capacity to do so, noting some deficiencies in the first year or so.

The owner of the company just sent us an offer to extend the contract for another two years at the 2017 prices. Given the margin by which they out-bid competitors in the last two cycles, I suspect the price is one we cannot beat. Now that our reservations on their abilities have been lifted, I don't see any reason not to continue our contractual relationship.

We still have plenty of time to seek sealed bids for 2019 mowing services if the city council choses to go that way. At this time, I am comfortable going with Lawn Kings for two years and have included a resolution to do so. Note that this business is operated by a city resident.

I have included the contractor's agreement. Note that properties may be added or deleted as needed due to acquisitions and sales.

**Council Questions, Inquiries, Requests, Comments, and Notes**

*Councilmember Porath.* It is with great sadness that I must pass along the resignation of Mr. Porath from the city council. Curt has been a big part of the city and larger community for over thirty years, including services to council, various boards, and community groups. We will look to honor his service in a timely manner at a future council meeting.



**City of Swartz Creek  
RESOLUTIONS  
Regular Council Meeting, Monday, February 25, 2019, 7:00 P.M.**

**Resolution No. 190225-4A            MINUTES – February 11, 2019**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday, February 11, 2019, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 190225-4A            AGENDA APPROVAL**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of February 25, 2019, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 190225-6A            CITY MANAGER’S REPORT**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council accept the City Manager’s Report of February 25, 2019, including reports and communications, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 190225-8A            RESOLUTION TO APPROVE THE FINANCIAL  
COMMITMENT FOR THE 2020-2023 TRAFFIC  
IMPROVEMENT PROGRAM FEDERAL AWARD CYCLE**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek is eligible for Federal Aid funds distributed through the Federal Highway Administration and the Michigan Department of Transportation; and

**WHEREAS**, the City of Swartz Creek has submitted an application for said funds to support hot mix asphalt roadway rehabilitation on Morrish Road, from Bristol Road to Miller Road at an estimated cost of seven hundred eighty-four thousand five hundred sixty dollars (\$784,560); and

**WHEREAS**, a local match of no less than 20%, estimated to be \$156,912 is required to obtain federal funding.

**NOW, THEREFORE, BE IT RESOLVED** the City of Swartz Creek City Council, of the County of Genesee hereby certifies it will provide the estimated one hundred fifty-six thousand nine hundred twelve dollars (\$156,912) for Morrish Road as matching funds for these respective street rehabilitation projects.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 190225-8B**

**RESOLUTION TO APPROVE THE FAIRCHILD STREET MDOT THIRD PARTY AGREEMENT**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the city submitted a resurfacing project for Fairchild Street, including a segment from Miller Road to Cappy Lane, to the Genesee County Metropolitan Planning Commission for approval in the Traffic Improvement Program; and

**WHEREAS**, the projects were approved for construction during the 2019 season, with allocations of funds and cost sharing as outlined herein; and

CONTRACTED WORK

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
Estimated Cost	\$284,300	\$8,100	\$292,400
CONSTRUCTION ENGINEERING, CONSTRUCTION MATERIALS TESTING, & INSPECTION (REQUESTING PARTY)	\$ 42,600	\$ -0-	\$ 42,600
GRAND TOTAL	\$326,900	\$8,100	\$335,000

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$326,900	\$8,100	\$335,000
Less Federal Funds	<u>\$267,600</u>	<u>\$ -0-</u>	<u>\$267,600</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$ 59,300	\$8,100	\$ 67,400



- #190225-8D3 **MAYOR APPOINTMENT:** **Jentery Farmer**  
 Planning Commission; Council Member  
 Remainder of three year term, expiring November 23, 2020
  
- #190225-8D4 **MAYOR APPOINTMENT:** **Rae Lynn Hicks**  
 Metro Police Authority; Council Member  
 Remainder of three year term, expiring January 31, 2021
  
- #190225-8D5 **MAYOR APPOINTMENT:** **Dennis Cramer**  
 Metro Police Authority; Council Member  
 Remainder of three year term, expiring January 31, 2020
  
- #190225-8D6 **MAYOR APPOINTMENT:** **David Krueger**  
 Metro Police Authority; Council Member  
 Three year term, expiring January 31, 2022
  
- #190225-8D7 **MAYOR APPOINTMENT:** **????**  
 Zoning Board of Appeals; Council Member  
 Remainder of two year term, expiring November 23, 2020

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 190225-8D                      RESOLUTION TO APPROVE AND EXTENSION OF 2013-2016 MOWING SERVICES BID AWARD**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek sought sealed bids for the mowing of city-owned properties in 2017, for services to be provided through January 2019; and

**WHEREAS**, Lawn Kings was found to be the responsible low bidder and was thereby awarded the work on March 27, 2017; and

**WHEREAS**, the time frame for the existing contract has expired, and the contractor has offered to extend the contract services, pricing, and other terms for two more years, through January of 2021; and

**WHEREAS**, the contractor was the successful low bidder and service provider for the city since 2013, including and price extension in 2015 of 2013 prices; and

**WHEREAS**, the services provided are found to be adequate and the pricing extremely competitive.

**NOW, THEREFORE, BE IT RESOLVED**, the Swartz Creek City Council hereby extends the contract for lawn care services to the low bidder, Lawn Kings, for two years per the specifications set forth in the bid documents and subsequently modified to reflected additions and deletions in service as needed, and further direct the City Manager to prepare and execute a contractor's agreement.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 190225-8E**

**RESOLUTION TO APPROVE PARTICIPATION IN MUNICIPAL LIGHTING CONVERSION BY THE ENERGY REDUCTION COALITION**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek owns, operates, and maintains facilities for use in providing municipal services and related services under lease and user agreements, and

**WHEREAS**, said facilities consist of offices, garages, cold storage, and special purpose facilities that are all equipped with various forms of lighting, and

**WHEREAS**, the city participated in an audit by the Energy Reduction Coalition, a non-profit that specializes in converting public facility lights to reduce costs and provide for environmental benefits, and

**WHEREAS**, the audit report indicates that reasonable savings can be generated for the city and its users if lighting is upgraded to energy efficient and reliable LED lighting, and

**WHEREAS**, the city's participation shall not result in initial investment costs, but will require a monthly payment to ERC to cover inventory, labor, and program expenses, and

**WHEREAS**, the program is expected to save the city approximately \$180,000 over thirty years when accounting for energy, labor, inventory, and related expenses. .

**NOW, THEREFORE, BE IT RESOLVED**, the City of Swartz Creek City Council approve the Lighting Conversion Program as reported to the City Council on February 25, 2019 and direct the Mayor to execute the Bill of Materials and Summary Plan on behalf of the city.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**CITY OF SWARTZ CREEK  
SWARTZ CREEK, MICHIGAN  
MINUTES OF THE REGULAR COUNCIL MEETING  
DATE 02/11/2019**

The meeting was called to order at 7:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance.

Councilmembers Present: Cramer, Farmer, Gilbert, Hicks, Krueger, Porath.

Councilmembers Absent: Pinkston.

Staff Present: Treasurer Deanna Korth, Clerk Connie Eskew, Director of Public Services Tom Svrcek, City Attorney Chris Stritmatter.

Others Present: Lania Rocha, Bob Plumb, Steve Shumaker, Dawn & Erik Jamison, Andy Harris.

**EXCUSE COUNCILMEMBER PINKSTON**

**Resolution No. 190211-01 (Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Farmer

**I Move** the Swartz Creek City Council excuse Mayor Pro Tem Pinkston.

YES: Unanimous Voice Vote.  
NO: None. Motion declared carried.

**APPROVAL OF MINUTES**

**Resolution No. 190211-02 (Carried)**

Motion by Councilmember Porath  
Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council approve the amended Minutes of the Regular Council Meeting held Thursday January 31, 2019 to be circulated and placed on file.

YES Gilbert, Hicks, Krueger, Porath, Cramer, Farmer.  
NO: None. Motion Declared Carried.

**CLOSED SESSION MINUTES – JANUARY 31, 2019**

**Resolution No. 190211-03 (Carried)**

Motion by Councilmember Cramer

Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council approve the Closed Session Minutes of the Regular Council Meeting held Thursday, January 31, 2019, to be placed on file and stored in accordance with state statute.

YES: Hicks, Krueger, Porath, Cramer, Farmer, Gilbert.

NO: None. Motion Declared Carried.

### **APPROVAL OF AGENDA**

**Resolution No. 190211-04**

**(Carried)**

Motion by Councilmember Farmer

Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council approve the Agenda as, printed for the Regular Council Meeting of February 11, 2019, to be circulated and placed on file.

YES: Krueger, Porath, Cramer, Farmer, Gilbert, Hicks.

NO: None. Motion Declared Carried.

### **CITY MANAGER'S REPORT**

**Resolution No. 190211-05**

**(Carried)**

Motion by Councilmember Hicks

Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council accept the City Manager's Report of February 11, 2019, including reports and communications to be circulated and placed on file.

YES: Porath, Cramer, Farmer, Gilbert, Hicks, Krueger.

NO: None. Motion Declared Carried.

### **MEETING OPENED TO THE PUBLIC:**

Steve Shumaker, 7446 Country Meadow Drive, pointed out the resolutions of the minutes had the wrong day of Monday instead of Thursday. He has concerns about the islands that will be put in with the new streetscape project causing accidents. He is concerned about the city council possibly waiving the water/sewer tap in fees on the future Fortino Drive condo project upon developer request.

### **COUNCIL BUSINESS:**



**RESOLUTION TO APPROVE STREETScape BIDS IN PARTNERSHIP WITH THE DOWNTOWN DEVELOPMENT AUTHORITY**

**Resolution No. 190211-06**

**(Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Cramer

**WHEREAS**, the Swartz Creek City Council enabled the planning of a streetscape plan that includes use of Holland Square, with said planning effort led by the Swartz Creek Downtown Development Authority, and;

**WHEREAS**, after extensive and rigorous review, the DDA, Planning Commission, and City Council opted to invest in the Miller Road streetscape while maintaining the openness of Holland Square as parking and mixed use indefinitely, and;

**WHEREAS**, the City and DDA have budgeted funds to enable the improvements, with the understanding that the scope of the project would likely require contributions from future fiscal years or a short term note, and;

**WHEREAS**, bids were solicited to complete the work in 2019, and the low bid of \$547,198.40 was received by Green Tech Systems, LLC, whom the engineer finds qualified to perform the work, and;

**WHEREAS**, OHM has submitted a proposal to conduct construction engineering, inspections, and testing to ensure the project meets and exceeds performance expectations.

**NOW, THEREFORE, BE IT RESOLVED** that the Swartz Creek City Council approves the streetscape and Holland Square project as bid by Green Tech Systems, LLC and authorizes the Mayor to execute a contractor's agreement with Green Tech Systems, LLC.

**BE IT FURTHER RESOLVED** the City of Swartz Creek City Council approves the construction engineering proposal as submitted by OHM and included in the February 11, 2019 city council packet and further directs the Mayor to execute said proposal on behalf of the city.

**BE IT FURTHER RESOLVED**, the city's participation and execution of the contractor's agreement is conditioned upon formal participation by the Swartz Creek Downtown Development Authority, including a contribution of \$70,000 of budgeted funds and \$200,000 in borrowed funds from the city's general fund, such funds to be appropriated as directed by the City Treasurer.

Discussion Ensued.

YES: Porath, Cramer, Farmer, Gilbert, Hicks, Krueger.  
NO: None. Motion Declared Carried.

**MEETING OPENED TO THE PUBLIC:**

Erik Jamison 5015 Holland, spoke the Back to the Bricks committee chose Swartz Creek for a local car show the week before the big event. They were so impressed with Swartz Creek's participation last year they choose Swartz Creek to have the event a full day instead of a half day as in previous years.

#### **REMARKS BY COUNCILMEMBERS:**

Councilmember Gilbert winter isn't over yet, but think spring.

Councilmember Hicks reminded everyone know that the Women's Club is having a chili dinner March 1<sup>st</sup>.

Councilmember Farmer he is excited about the streetscape project.

Councilmember Cramer requested topics to discuss with Senator Hart or Representative Cherry for his March 20<sup>th</sup> meeting please let him know if you have any. Everyone please take a look at the Mackinac Bridge painting at Perkins Library it is a beautiful painting. He had a great time at the chili cook off last weekend and complemented councilmember Farmer for winning 3<sup>rd</sup> place. It is great to see that the streetscape project is finally becoming a reality.

Councilmember Porath is excited about the streetscape project and it will be a wonderful addition to downtown and he is looking forward to it. Next couple days going to be bad weather and urged everyone to be careful.

Mayor Krueger echoed councilmember Porath's comment about being careful in this weather we are having.

#### **ADJOURNMENT**

**Resolution No. 190211-07**

**(Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Farmer

**I Move** the Swartz Creek City Council adjourn the regular meeting at 7:46 p.m.

Unanimous Voice Vote.

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**David A. Krueger, Mayor**

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**Connie Eskew, City Clerk**



michigan municipal league

# Liability & Property Pool Workers' Compensation Fund

February 8, 2018

Mr. Adam Zettel, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473-1377

**RE: MML POOL & FUND LOSS CONTROL SERVICES-PR**

Dear Mr. Zettel:

This letter is sent in confirmation of my February 5, 2019 meeting with you and Public Services Director, Tom Svrcek. The purpose of this meeting was to review claims, distracted driving exposures, employment practices and recent marijuana legislation. Tom and I also discussed numerous DPW operations including winter work.

No recommendations were developed pursuant to this call.

Many services are available to MML members. Our web site is [www.mml.org](http://www.mml.org) and has publications, forms, articles and links that provide you with an array of risk management services unmatched by other insurance programs.

The courtesy shown me was appreciated. If you have any questions concerning my visit, please call 248-204-8037. You may also contact me by e-mail at [jgraczyk@meadowbrook.com](mailto:jgraczyk@meadowbrook.com).

Sincerely,

LOSS CONTROL SERVICES

Jerry Graczyk  
Loss Control Consultant

Service Provider: Meadowbrook, Inc.

Loss Control & Member Services: P.O. Box 2054, Southfield, MI 48037-2054; (248) 358-1100; (800) 482-0626; Fax: (248) 358-0534  
Claims: 3196 Kraft Ave SE, Suite 206, Grand Rapids, MI 49512-2065; (616) 942-0311; (800) 752-7477; Fax: (616) 649-1796

## **LOSS REVIEW**

We noted that your Fund mod @ .87 continues to be good, the best the City has had in at least nine years. The prior eight years were .95, .94, .94, .98, .88 .92, .98 and .96 respectively. Number of claims were 0 in 2012, 3 in 2013, 0 in 2014, 3 in 2015, 5 in 2016, 2 in 2017 and 1 in 2018.

On the Pool side, the City's loss ratios over the last eight years @ 0%, 9%, 16%, 256%, 0%, 365%, 0% and 0% YTD have been, except for two years, very good. The two high loss years were caused by the pedestrian/vehicle incident and the police department claim.

No trends were apparent.

## Adam Zettel

---

**From:** Michigan Municipal League <dwestbrook@mml.org>  
**Sent:** Friday, February 15, 2019 2:15 PM  
**To:** Adam Zettel  
**Subject:** MML Insurance Boards Announce 2019 Member Dividends



### Michigan Municipal League Insurance Boards Announce 2019 Member Dividends

Members of the Michigan Municipal League's insurance programs—almost a thousand cities, villages, counties, townships, and other public entities—will share dividends totaling \$10.8 million in 2019.

The Liability & Property Pool Board of Directors has voted to return \$2.1 million in dividends to member-owners who renew their insurance coverage in 2019. Over the previous five years, the Pool has returned \$11.6 million in dividends, corresponding to about 12 percent of members' premiums during the same period.

The Workers' Compensation Fund Board of Trustees has authorized dividends as well, returning \$8.7 million in equity to its renewing owner-members. The Fund has returned \$43 million in dividends over the previous five years, representing about 30 percent of members' premiums over the same period.

The Pool and Fund are owned and governed by you and your fellow communities.

Michael Forster, Director of Risk Management Services, says, "When members work hard to improve safety and reduce risk through prevention, training, policies, and other steps, we are able to return the resulting claims savings back to their communities, including in the form of dividends. We thank our members for their continued efforts, which are key to the ongoing success of the League and its insurance programs."

For over 100 years, the Michigan Municipal League has sought to represent, inspire, and educate its members through advocacy, policy initiatives, trainings, grants, resources, and a dedicated membership services team.

Contact: Michael Forster, Director, Risk Management Services; 734-669-6340 or [mforster@mml.org](mailto:mforster@mml.org).

**MML Liability & Property Pool Directors:**

**Chair: Robert Clark**  
Mayor  
City of Monroe

**Vice Chair: Dave Post**  
Manager  
Village of Hillman

**Sue Osborn**  
Mayor  
City of Fenton

**Jason Eppler**  
Manager  
City of Ionia

**Ken Hibl**  
Manager  
City of Clare

**Jean Stegeman**  
Mayor  
City of Menominee

**Dan Gilmartin**  
Executive Director/CEO  
Michigan Municipal League

**Penny Hill**  
Assistant Manager  
City of Traverse City

**Paula Zelenko**  
Mayor  
City of Burton

**MML Workers' Compensation Fund Trustees:**

**Chair: Christine Burns**  
Manager  
Village of Spring Lake

**Vice Chair: Maureen Donker**  
Mayor  
City of Midland

**Lee Kilbourn**  
Mayor  
City of Auburn

**Lois Allen-Richardson**  
Councilperson  
City of Ypsilanti

**Scott Erickson**  
Manager  
City of Ironwood

**Adam Smith**  
Administrator  
City of Grand Ledge

**Todd Campbell**  
City Manager  
City of Saline

**Dan Gilmartin**  
Executive Director/CEO  
Michigan Municipal League

**David Tossava**  
Mayor  
City of Hastings

**Deborah Doyle**  
Mayor  
City of Durand



Michigan Municipal League | 1675 Green Road, Ann Arbor, MI 48105

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Sent by [dwestbrook@mml.org](mailto:dwestbrook@mml.org) in collaboration with



## EDUCATIONAL COMMENTARY – CANNABINOIDS

Educational commentary is provided through our affiliation with the American Society for Clinical Pathology (ASCP). To obtain FREE CME/CMLE credits, click on Earn CE Credits under Continuing Education on the left side of the screen.

### Learning Objectives

On completion of this exercise, the participant should be able to

- identify the classes of natural and synthetic cannabinoids;
- describe the physiologic effects of natural and synthetic cannabinoids;
- describe the legal status of natural and synthetic cannabinoids; and
- explain currently available laboratory testing for natural and synthetic cannabinoids and the challenges associated with it.

### Introduction

Dating back as early as 2700 BCE, cannabis, or marijuana, has been recognized for its psychoactive and healing properties. Early Chinese physicians noted its analgesic, anesthetic, and antiemetic properties. Modern-day chemists are still enthralled by its chemical composition, biological activity, and the possibility that its healing powers might be synthesized to produce a drug with predictable pharmacologic therapeutic effects. As with many other psychoactive substances, the properties of cannabis have attracted a lot of attention outside of the health care setting as well, leading to the development of synthetic compounds capable of producing similar psychoactive effects and very lucrative illicit drug trafficking. Synthetic cannabinoids include illicit abused substances as well as medications like dronabinol and nabilone, but for the purposes of this commentary, synthetic cannabinoids will refer only to those illicit drugs developed to mimic the effects of psychoactive cannabinoids.

### Chemical Origin

#### Cannabinoids

Cannabinoids are a group of C<sub>21</sub> terpenophenols which interact with the body's cannabinoid receptors and are found only in plants of the genus *Cannabis*. There are a wide variety of *Cannabis* species, but *Cannabis sativa* is the species most commonly used as recreational marijuana. *Cannabis sativa* contains nearly 500 compounds, including nitrogen-containing compounds, terpenoids, hydrocarbons, carbohydrates, flavonoids, fatty acids, noncannabinoid phenols, simple alcohols, aldehydes, ketones, and acids. It also contains 66 cannabinoids with and without psychoactive effects. Cannabinoids are divided into ten subclasses, each of which contains several different types. A few of the more common subclasses are the cannabidiol class (CBD), the cannabigerol class (CBG), and the



## EDUCATIONAL COMMENTARY – CANNABINOIDS (cont.)

delta( $\Delta$ )9-tetrahydrocannabinol class (THC).<sup>1</sup> Cannabis potency is measured by THC concentration, as THC is the primary and most potent of the psychoactive cannabinoids.

### Synthetic Cannabinoids

Synthetic cannabinoids entered the US market in late 2008 with street names such as: K2, Spice, Fake Weed, and Black Mamba.<sup>2</sup> The synthetic cannabinoids are typically sprayed on dried plant material and marketed online and in gas stations, tobacco shops, and convenience stores as herbal blends, incense, and potpourri for the buyer to smoke or ingest. They may also be maintained in liquid form for sale as incense or e-cigarette fluids. Traditionally, synthetic cannabinoids have been divided into three main categories: classical cannabinoids (dibenzopyran derivatives such as THC and its isomers), cyclohexylphenols, and aminoalkylindoles.

Synthesized in the 1980s at Hebrew University, HU-210 is one of the most recognized of the synthetic classical cannabinoids. Although HU-210 was found on the market in 2009 in relatively large amounts, classical cannabinoids are not currently popular in the illicit drug market because they are difficult to synthesize. Cyclohexylphenols like CP-47479 were developed as analgesics in the late 1970s by Pfizer and were some of the first synthetic cannabinoids found in herbal incense. The aminoalkylindoles are the most common category of synthetic cannabinoids found on the illicit drug market today. They were developed in the late 1990s and include compounds like JWH-018, JWH-073, and JWH-200.<sup>3</sup> As of 2016, more than 170 synthetic cannabinoids have been identified on the illicit drug market, and new compounds are constantly appearing. To accommodate the ever-changing compositions of synthetic cannabinoids, several scientists have proposed more comprehensive and inclusive classifications with continual updates to better represent these new classes of compounds.<sup>4</sup>

### Effects

#### Cannabinoids

Tetrahydrocannabinol acts on two G-protein-coupled cannabinoid receptors, CB<sub>1</sub> and CB<sub>2</sub>. Although CB<sub>1</sub> receptors are distributed throughout the body, their highest concentrations are in the central nervous system, making them responsible for the psychoactive effects of THC. Activation of the CB<sub>1</sub> receptors by THC results in the inhibition of voltage-gated calcium channels and cyclic adenosine monophosphate (AMP), and the activation of potassium channels.<sup>5</sup> CB<sub>2</sub> receptors are found in the brain to a much lesser extent than CB<sub>1</sub> receptors. CB<sub>2</sub> receptors are predominantly found on immune cell surfaces throughout the body and are thought to mediate anti-inflammatory and immunosuppressive effects, as opposed to behavioral effects. Activation of CB<sub>2</sub> receptors inhibits cyclic AMP, but unlike CB<sub>1</sub> receptors, CB<sub>2</sub> receptors are not involved with ion channel inhibition or activation.

## EDUCATIONAL COMMENTARY – CANNABINOIDS (cont.)

Cannabinoid receptor CB<sub>1</sub> activation induces appetite stimulation, muscle relaxation, pain suppression, nausea and vomiting abatement, intraocular pressure reduction, and a sense of euphoria and well-being. Frequent (daily or almost daily) use is associated with an increased risk for psychoses and cognitive and psychomotor impairment due to excessive CB<sub>1</sub> activation. Signs of cannabis intoxication include but are not limited to tachycardia, increased blood pressure, ataxia, slurred speech, and increased respirations.

### Synthetic Cannabinoids

Synthetic cannabinoids are often referred to as a legal marijuana alternative. These compounds, structural modifications of cannabis, were developed to mimic the effects of cannabinoids by interacting with the cannabinoid receptors. Although synthetic cannabinoids do result in psychoactive effects similar to those of their natural counterparts, several important factors must be considered. First, THC is a weak, partial CB<sub>1</sub> receptor agonist, whereas synthetic cannabinoids are full receptor agonists. Also, natural cannabis contains compounds that counteract the effects of THC by acting on noncannabinoid receptors; synthetic cannabinoids do not. These differences result in similar psychoactive effects as natural cannabinoids, but with a 4 to 5 times greater binding affinity to CB<sub>1</sub> receptors and no action on noncannabinoid receptors. As a result, synthetic cannabinoids may be up to 100 times more potent than THC and have more intense and longer-lasting effects.<sup>6</sup> Symptoms of acute toxicity are potentially more serious than those of natural cannabis toxicity.

### Prevalence

#### Cannabinoids

Cannabis is the most common illicit drug in the United States and worldwide. Based on data collected between 2002 and 2014, the Centers for Disease Control and Prevention reported that in 2014, 2.5 million people in the United States aged 12 and older had used marijuana for the first time, for an average of almost 7000 new users each day. Between 2002 and 2014, the prevalence of marijuana use increased among persons older than 18 years, but not among those aged between 12 and 17 years.<sup>7</sup> In 2016, 35.6% of high school seniors reported having used marijuana in the past year.<sup>8</sup>

#### Synthetic Cannabinoids

Promoted as safe and natural, and with the appeal of a stronger high, ease of availability, relatively low cost, and difficulty in detection on traditional drug screens, synthetic cannabis has quickly taken its place after natural cannabis as the second most frequently used illicit drug in the United States.<sup>9</sup> In 2010, 11,406 emergency department visits were associated with synthetic cannabinoid use; in 75% of these visits, the patients were adolescent males. Of high school seniors surveyed in 2016, 3.5% had used synthetic cannabinoids in the past year, most of those also young males.<sup>8</sup> Since 2013, the number of calls to poison centers regarding synthetic cannabinoid exposure has steadily increased. Poison centers

## EDUCATIONAL COMMENTARY – CANNABINOIDS (cont.)

reported 2668 exposure calls in 2013, 3682 in 2014, and 7794 in 2015. As of April 30, 2017, preliminary numbers indicate poison centers have received 656 exposure calls in 2017.<sup>10</sup>

### Legal Status

#### Cannabinoids

Although marijuana use is legal in some form in many states, it is still considered an illegal substance under federal law. The first governmental regulation of marijuana was enacted as the Marihuana [sic] Tax Act of 1937. Although it did not specifically prohibit marijuana use, the Marihuana Tax Act did control the possession and sale of marijuana by regulating and taxing it. Under President Richard Nixon, in 1970 Congress passed the Controlled Substances Act, which classified drugs based on their potential for abuse and medical usefulness. Due in part to the efforts of President Nixon, cannabis was added to Schedule I, substances having a high potential for abuse and no currently accepted medical use. It did not take long for citizens to push for the decriminalization of marijuana at the state and local levels.<sup>11</sup> At present, marijuana is legal in some form in 29 states and the District of Columbia.<sup>12</sup>

#### Synthetic Cannabinoids

There were no state or federal laws regulating synthetic cannabinoids before 2010. Noting increased potency and abuse, in 2012 President Obama signed the Synthetic Drug Abuse Prevention Act. The bill named 26 types of synthetic drugs as Schedule I drugs under the Controlled Substances Act, 15 of which were synthetic cannabinoids. Consequently, as of 2015, all 50 states have enacted legislation to control one or more synthetic cannabinoids.<sup>13</sup> Legislatures are faced with an uphill battle when it comes to synthetic cannabinoid legislation. New synthetic cannabinoids with slightly modified chemical structure are constantly being developed to circumvent existing laws.

### Laboratory Testing

#### Cannabinoids

Laboratory testing for the presence of cannabinoids may be indicated for a number of reasons: evaluating drug-overdose patients, screening employees for drug use, and monitoring adherence to substance-abuse treatment. Urine is the most frequently used specimen for drugs of abuse screening, as it is easy to obtain and contains high concentrations of drugs and/or their metabolites. Although urine specimens are most often used, cannabinoid testing can also be performed on blood, oral fluid, meconium, sweat, and hair.

Qualitative immunoassays are the most widely used methodology for urine drug screening. They offer a quick, easy-to-perform, and relatively inexpensive testing method with a relatively high degree of



## EDUCATIONAL COMMENTARY – CANNABINOIDS (cont.)

specificity and sensitivity. Most immunoassays do not detect the primary psychoactive constituent in marijuana, THC; rather, they detect the primary inactive urinary metabolite, 11-nor-9-carboxy- $\Delta^9$ -tetrahydrocannabinol (THC-COOH). Confirmation of positive immunoassay drug screens is most commonly accomplished by gas chromatography–mass spectrometry (GC-MS), which is highly sensitive and specific for drugs and their metabolites. Tetrahydrocannabinol's lipophilic nature results in its wide distribution throughout fatty tissues of the body and its slow release from these storage tissues, making THC-COOH detectable in the urine of infrequent users for up to 2 to 5 days. Heavy, long term users can test positive up to months after their last use.

### Synthetic Cannabinoids

The advent of synthetic cannabinoids and their increased use as recreational drugs has complicated drugs of abuse screening. Synthetic cannabinoids are not detected by traditional screening tests, as their chemical composition and metabolites do not cross-react with assays for THC-COOH. Most reference/toxicology laboratories are using liquid chromatography/tandem mass spectrometry (LC-MS/MS) and GC-MS, but these methods present a number of challenges such as a lack of reference standards, quality control materials, and cutoff values.

Making matters more difficult, those developing synthetic cannabinoids constantly alter the chemical structures and compounds to elude regulations and avoid legal ramifications. In an effort to develop testing and stay ahead of those making the new drugs, toxicologists and chemists in laboratories around the country spend a significant amount of time identifying the latest synthetic cannabinoids and their metabolites. Gas chromatography–mass spectrometry and LC-MS/MS can be used to identify synthetic cannabinoids, but this testing is not routinely performed in clinical laboratories because it requires expertise and takes hours to complete. Research is also being conducted to detect different classes of synthetic cannabinoids via matrix-assisted laser desorption ionization-time of flight mass spectrometry (MALDI-TOF-MS), direct analysis in real time mass spectrometry (DART-MS), nano-liquid chromatography (nano-LC), and nuclear magnetic resonance (NMR)<sup>2</sup>, but these methods are not feasible for most laboratories,

### Summary

Although marijuana still tops the charts as the most commonly used illicit drug worldwide, synthetic cannabinoids hold a certain appeal for drug abusers. Manufacturers of synthetic cannabinoids have successfully made compounds that are much more potent than natural cannabis, are not detectable in routine drug screening, and evade legislatures' attempts at criminalization. Chemists and lawmakers constantly struggle to stay ahead of the manufacturers' structural modifications of synthetic cannabinoids

## EDUCATIONAL COMMENTARY – CANNABINOIDS (cont.)

to develop laboratory testing, and laws to prohibit its use. As long as there is a market for synthetic cannabinoids, manufacturers will continue to profit from that market.

### References

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2. ElSohly MA, Gul W, Wanas AS, Radwan MM. Synthetic cannabinoids: analysis and metabolites. *Life Sci.* 2014;97(1):78-90. doi:10.1016/j.lfs.2013.12.212.
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7. Azofeifa A, Mattson MR, Schauer G, McAfee T, Grant A. National estimates of marijuana use and related indicators - National Survey on Drug Use and Health, United States, 2002-2014. *MMWR Surveill Summ.* 2016;65(11):1-25. doi:10.15585/mmwr.ss6511a1.
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10. American Association of Poison Control Centers. Synthetic cannabinoids. AAPCC website. <http://www.aapcc.org/alerts/synthetic-cannabinoids/>. Accessed May 31, 2017.
11. Martin SC. A brief history of marijuana law in America. *Time.* April 20, 2016. <http://time.com/4298038/marijuana-history-in-america/>. Accessed March 6, 2017.
12. Smith A. 10 things to know about legal pot. *CNN Money.* May 26, 2017. <http://money.cnn.com/2017/04/19/news/legal-marijuana-420/>. Accessed May 31, 2017.

## EDUCATIONAL COMMENTARY – CANNABINOIDS (cont.)

13. National Conference of State Legislatures. Synthetic drug threats. NCSL website. <http://www.ncsl.org/research/civil-and-criminal-justice/synthetic-drug-threats.aspx>. Published January 13, 2015. Accessed March 8, 2017.

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## Adam Zettel

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**From:** lawnkings1@ymail.com  
**Sent:** Tuesday, February 19, 2019 12:31 PM  
**To:** Adam Zettel  
**Subject:** request to extend lawn care contract

We are respectfully requesting to extend our previous contract through the 2019 and 2020 season.

There will be no increase in cost as it will remain the same as the previous years contract.

We guarantee the same quality service as in the previous years and continue to act promptly on any urgent needs of the city. We love the beautiful City of Swartz Creek and look forward to continue working with you to keeping it beautiful.

Sincerely,

Joe Mireles  
owner  
Lawn Kings  
810-357-6084

**SERVICES AGREEMENT**  
**Between**  
**The City of Swartz Creek**  
**and**  
**Joe Mireles, DBA:**  
**Lawn Kings Law & Landscaping.**

This agreement is made this 27th Day of March, 2017 by and between the **City of Swartz Creek**, a Michigan Municipal Corporation, with principal offices at 8083 Civic Drive, Swartz Creek, Michigan 48473 ("The City") and Joe A. Mireles, Doing Business As "Lawn Kings Lawn & Landscaping.", ("The Contractor"), a Michigan Corporation, with principle offices at 5187 Seymour Road, Swartz Creek, Michigan 48473.

**WHEREAS**, the City is in need of the following lawn maintenance services:  
(See Exhibit "A" attached bid specifications)

**WHEREAS**, the Contractor has the necessary experience, qualifications and equipment to provide such services and is willing to provides these services to the City.

**WHEREAS**, the City awarded the bid to Lawn Kings Lawn & Landscaping on March 27, 2017 for two contract years extending from April 2017 through January 1, 2019; and

**WHEREAS**, Lawn Kings Lawn & Landscaping, has provided the City with necessary insurance and met all other requirements of the City.

**NOW, THEREFORE**, the City and the Contractor **AGREE AS FOLLOWS**:

**1. Agreement Term.**

The term of this Agreement shall be for the following period:  
April 1, 2017 through January 1, 2019.

**2. Scope of Services:**

The scope of services to be performed by the Contractor are as follows:  
Lawn cutting, mowing, trimming and associated functions as per the attached Exhibit "A" bid specifications.

**3. Compensation:**

Contractor shall be compensated as follows:  
(As per attached Exhibit "A" Bid Specification and Returns, inclusive of 23 specific parcels of property, plus 2 representative parcels that represent an unknown number of parcels that may need services subsequent to City Ordinance #364. Parcels were bid by the Contractor on an individual basis, with mowing services expected weekly or at the direction



of the Department of Public Works Director)

**4. Applicable Law.**

This Agreement shall be governed by and in accordance with the laws of the State of Michigan applicable to contracts made and to be performed in this state.

**5. Obligations to the City.**

The Contractor must remain current and not be in default of any obligations due to the City including, but not limited to, the payment of taxes, fines, penalties, licenses or other monies due to the City. Violations of this clause shall constitute a substantial and material breach of this Agreement. Such breach shall constitute good cause for the termination of this Agreement should the City determine to terminate on a basis other than conveniences.

**6. Disclaimer of Contractual Relationship.**

Nothing contained in the Agreement Documents shall create any contractual relationship between the City and any Subcontractor or Sub-subcontractor.

**7. Hold Harmless and Indemnification:**

To the fullest extent permitted by law, the Contractor agrees to defend, pay on behalf of, indemnify, and hold harmless the City, its elected and appointed officials, employees and volunteers and others working on behalf of the City against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City, its elected and appointed officials, employees, volunteers or others working on behalf of the City, by reason of personal injury, including bodily injury or death and/or property damage including loss of use thereof, which may arise as a result of his act, omissions, faults and negligence or any of his employees, agents and representative in performance of this Agreement.

**8. Independent Contractor.**

No provision of this Agreement herein contained shall be construed by the parties or by any other person as one creating an employer-employee relationship. It is hereby expressly understood and agreed that the Contractor is an independent contractor as that phrase has been defined and interpreted by the Courts of the State of Michigan, and, as such, he/she is not entitled to any benefits not otherwise specified herein.

**9. Insurance.**

The Contractor shall not commence work under this Agreement until he/she or it has procured and provided evidence of insurance required under this section. All coverage's shall be placed with insurance companies licensed and admitted to do business in the

State of Michigan unless otherwise approved by the City. Policies shall be reviewed by the City for completeness and limits of coverage. All coverage's shall be with insurance carriers acceptable to the City. The Contractor shall maintain the following insurance coverage's for the duration of the Agreement.

- A. Commercial General Liability coverage of not less than one million dollars (\$1,000,000) combined single limit with the City, and including all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and their board members, employees and volunteers, named as Additional Insured. This coverage shall be written on an ISO occurrence basis form and shall include: Bodily Injury, Personal Injury, Property Damage, Contractual Liability, Products and Completed Operations, Independent Contractors; Broad Form Commercial General Liability Endorsements, (XCU) Exclusions deleted and a per contract aggregate coverage. The coverage shall be primary to the Additional Insured's, and not contributing with any other insurance or similar protections available to the Additional Insured's, whether said other available coverage be primary, contributing or excess.
- B. Workers Compensation Insurance in accordance with Michigan statutory requirements including Employer's Liability Coverage. If a sole proprietor, then paragraph 19 herein shall apply.
- C. Commercial Automobile Insurance in the amount of not less than one million dollars (\$1,000,000) combined single limit per accident with the City, including all elected and appointed officials, all employees and volunteers, named as an Additional Insured. This coverage shall be written on ISO Business Auto form covering Automobile Liability, Code 1, any auto.

Any deductible or self-insured retention must be declared to and approved by the City. In addition, the total dollar value of all claims paid out on the policy shall be declared. At the option of the City, either: The insured shall reduce or eliminate such deductibles or self-insured retention as respects to the City, its officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration and defense expense.

The Contractor shall furnish the City with certificates of insurance for all coverage's requested and with original endorsements for those policies requiring the Additional Insured status. All certificates of insurance must provide the City with not less than 10 days advance written notices in the event of cancellation, non-payment of premium, non-renewal or any material change in policy coverage. In addition, failure to mail such notice shall impose no obligation or liability of any kind upon the City, its agent or representatives. All certificates must identify the City as the Certificate Holder and additional insured party. The Contractor must provide, upon request, certified copies of all insurance policies. If any

of the above coverage's expire during the term of this Agreement, the Contractor shall deliver renewal certificates and/or policies to the City at least ten days prior to the expiration date. The Contractor shall ensure that all Subcontractors utilized obtain and maintain all insurance coverage's required by this Agreement.

**10. Interpretation.**

In the event any provision contained herein shall be determined by a court of competent jurisdiction or an appropriate administrative tribunal or official to be contrary to any provision of law or to be unenforceable for any reason, then, to the extent necessary and possible to render the remainder of this agreement enforceable, such provision may be modified or severed by such court or administrative tribunal or official having jurisdiction over this Agreement and the interpretation thereof, or the parties hereto, so as to, as nearly as possible, carry out the intention of the parties to this Agreement, considering the purpose of the entire Agreement as it relates to such provision.

**11. Laws and Ordinances.**

The Contractor shall obey and abide by all of the laws, rules and regulations of the Federal Government, State of Michigan, Genesee County and the City of Swartz Creek, applicable to the performance of this agreement, including, but not limited to, labor laws and laws regulating or applying to public improvements.

**12. Modifications/Changes.**

Any modification to this Agreement must be in writing and signed by the authorized employee, officer, board or council representative authorized to make such contractual modifications pursuant to the state law and local ordinances.

**13. Non-Assignability.**

The Contractor shall not assign or transfer any interest in this Agreement without the prior written consent of the City Manager.

**14. Nondiscrimination.**

The Contractor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital status, or status with regard to public assistance. The Contractor will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment, or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**15. Non-Disclosure/Confidentiality.**

Upon delivery as provided in Paragraph 1 (Change in Scope of Services) hereof, the documents prepared by the Contractor shall be the property of the City. The Contractor agrees that said documents are confidential information intended for the sole use of the City and that he/she will not disclose any such information, or in any other way make such documents public, without the express written approval of the City Manager or the order of a court of competent jurisdiction or as required by the laws of the State of Michigan.

**16. Notices.**

Notices to the City shall be deemed sufficient if in writing and mailed, postage prepaid, addressed to the City Manager, City of Swartz Creek, 8083 Civic Drive, Swartz Creek Michigan 48473, or to such other address as may be designated in writing by the City Manager from time to time.

Notices to the Contractor shall be deemed sufficient if in writing and mailed, postage prepaid, addressed to the Contractor, Joe Mireles, Doing Business As Lawn Kings Lawn & Landscaping, 1322 Pettibone Avenue, Flint Michigan 48507, or to such other address as may be designated in writing by the Contractor from time to time.

**17. Records.**

All documents, information, reports and the like prepared and/or generated by the Contractor as a result of this Agreement shall become the sole property of the City.

**18. Severability.**

The invalidation of one or more terms of this Agreement shall not affect the validity of the remaining terms.

**19. Sole Proprietor Workers Compensation Substitute:**

I. ***(Not Applicable)***, do hereby declare that I am a Sole Proprietor performing work and/or services as an independent Contractor for the City of Swartz Creek, and will not employ any person(s) in the work to be performed for the City under this Agreement. As a Sole Proprietor with no employees, I further acknowledge that I am not subject to the Workers Compensation Act of the State of Michigan. In consideration of being awarded this Agreement, I agree to hold harmless the City for any and all injuries or illness that I may sustain during the course of this Agreement. I hereby agree to notify the City Manager in writing, prior to hiring any person(s), full time or part time, to assist with any work performed, or services provided in this Agreement and to secure Workers Compensation Insurance prior to any person beginning work or assisting in the performance of work under this Agreement and that none of the work to be performed



under this Agreement will be subcontracted to any other subcontractor or entity.

**20. Standards of Performance.**

The Contractor agrees to exercise independent judgment and to complete performance under this Agreement in accordance with sound workman like practices. In entering into this Agreement, the City is relying upon the reputation, experience, certification and ability of the Contractor. The Contractor agrees that all of the obligations required by him pursuant to this Agreement shall be performed by him, her or it, as the case may be, or by others employed by him, her or it and working under his, her or its direction and control. The continued effectiveness of this Agreement during its term or any renewal term shall be contingent, in part, upon the Contractor maintaining any required certifications in accordance with the requirements of state law.

**21. Subcontracting.**

No subcontract work shall be allowed without prior written approval by the City Manager. The City reserves the right to accept or reject any subcontractor.

**22. Termination.**

This Agreement may be terminated, with or without cause, by either party hereto by submitting a notice of termination to the other party. Such notice shall be in writing and shall be effective thirty (30) days from the date it is submitted unless otherwise agreed to by the parties hereto. The Contractor, upon receiving such notice and prorated payment upon termination of this Agreement shall turn over and give to the City all pertinent records, data and information to the date of termination.

**23. Time of Service/Performance.**

The Contractor's services shall commence immediately upon receipt of the notice to proceed and shall be carried out forthwith and without unreasonable delay.

**24. Whole Agreement Clause.**

This written agreement embodies the entire agreement between the parties hereto, and additions, deletion or modification hereto must be in writing and signed by both parties.

*(Signature Page to Follow)*

The City and the Contractor have executed this Agreement as of the date first above written.

THE CITY OF SWARTZ CREEK

JOE MIRELES, DBA: LAWN KINGS  
LAWN & LANDSCAPING

BY:   
Adam Zettel, City Manager

BY:   
Joe Mireles, Owner

BY:   
Connie Eskew, City Clerk

# EXHIBIT “A”

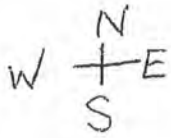
QUOTE SHEET

CITY PROPERTIES—MOW & TRIM

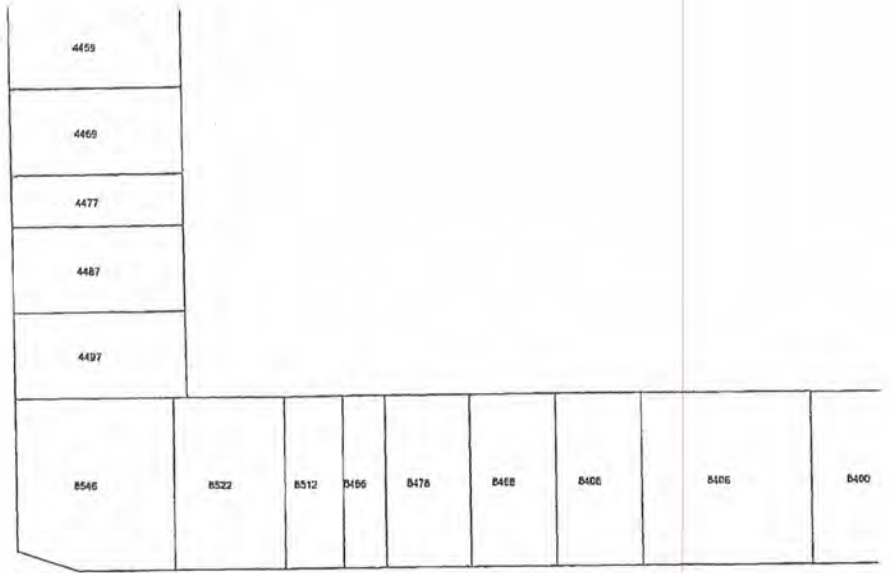
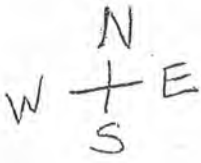
Property	Location	Price Per Mowing
1. City Admin Bldg	8083 Civic	\$ <u>20</u>
2. Veteran's Memorial	8059 Fortino	\$ <u>10</u>
3. Vacant Lot	South Morrish Rd	\$ <u>10</u>
4. Water Tower	S of Miller, W of Winston	\$ <u>15</u>
5. Amphitheater (Monday 5/01-8/01)	Civic Dr	\$ <u>20</u>
6. Senior Center/Library	Civic Dr	\$ <u>20</u>
7. Public Safety Bldg	Civic Dr	\$ <u>15</u>
8. Vacant Lot	8068 Fortino	\$ <u>10</u>
9. Drain Easement- (Non Fenced Area)	Elms, S of Miller, at Creek	\$ <u>10</u>
10. City Sign (Clear Vision)	Miller & Seymour, S Leg- SE	\$ <u>10</u>
11. Cemetery	Morrish & Fortino	\$ <u>20</u>
12. Bicentennial Park Areas	Morrish, East Side, Wade to Morrish	\$ <u>10</u>
13. Cappy Lane Sewer (Lift Station)	8331 Cappy	\$ <u>10</u>
14. Vacant Lot-Fortino Dr	N side off Morrish Rd	\$ <u>5</u>
15. Elms Rd Park (Approx 35 Acres)	Elms Rd Park	\$ <u>325</u>
16. Winshall Park (Approx 12 Acres)	Winshall Dr, Durwood to N Daval	\$ <u>200</u>
17. Raubinger Rd (To Back of Houses)	S of Miller, N of Creek	\$ <u>10</u>
18. 9217 Hill (empty Lot)	SW Corner of Seymour & Hill	\$ <u>10</u>
19. 5492 Miller	Lot E of RR Tracks	\$ <u>10</u>
20. Park & Ride	6425 Miller	\$ <u>15</u>
21. 3350 Dye—50' off ROW	S of RR Tracks	\$ <u>10</u>
22. 3386 Dye Rd—50' off ROW	S of RR Tracks	\$ <u>5</u>
23. Residential lots per City Ord. # 364- (lots to be determined by City and sent to contractor for processing)	1/4 - 1/3 Acre	\$ <u>10</u>
24. 1/2 Acre Lot		\$ <u>15</u>
25. Vacant Lot on Fortino	Between cemetery and post office	\$ <u>15</u>
<b>TOTAL FOR CITY PROPERTIES</b>		\$ <u>810<sup>00</sup></u>

Company Name Lawn Kings  
 Address 5187 Seymour rd Swartz Creek, MI 48478  
 Phone 810-630-6550 Contact Name Joe Mireles  
810-357-6084









MILLER ROAD



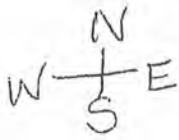


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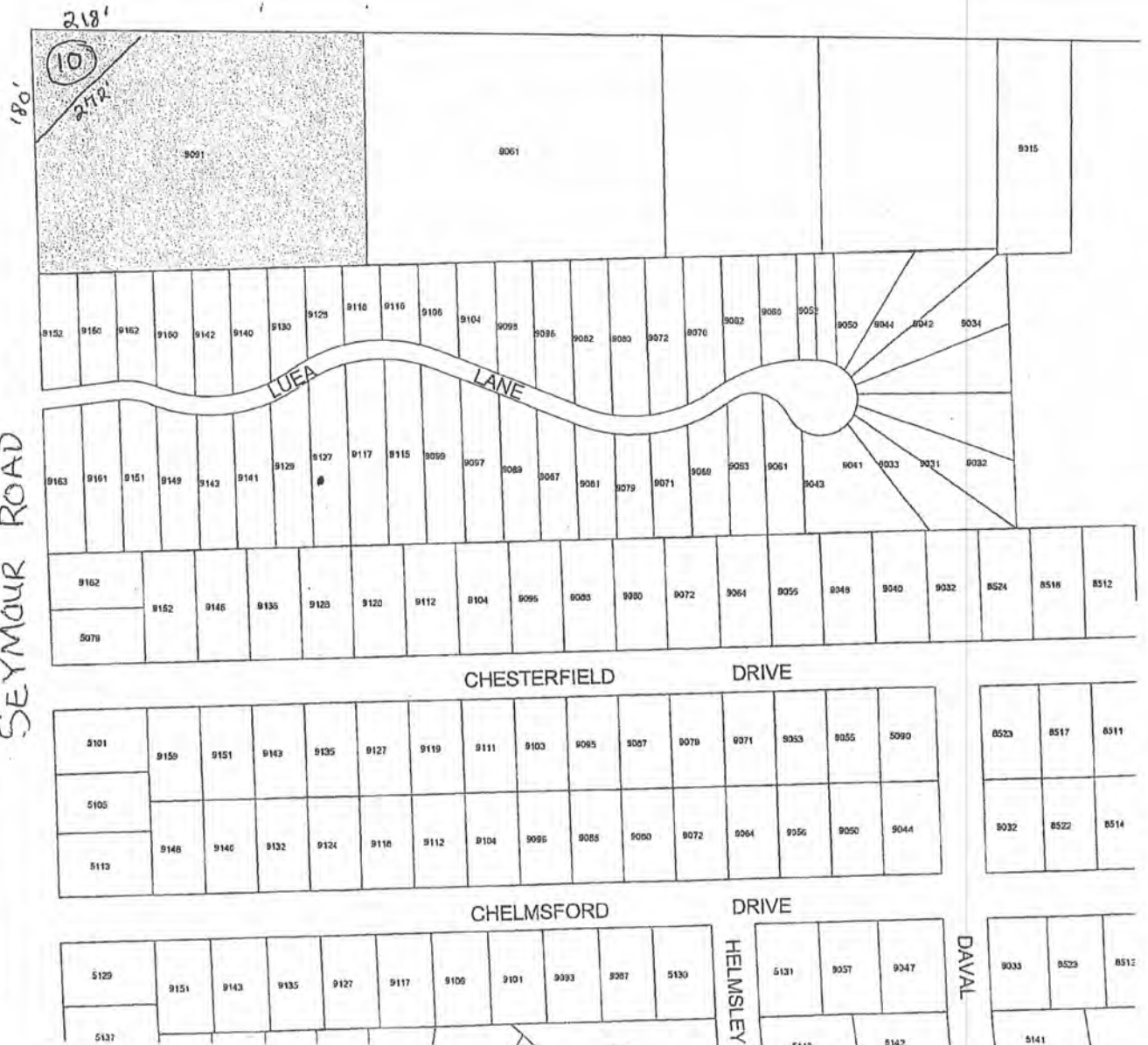


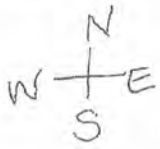
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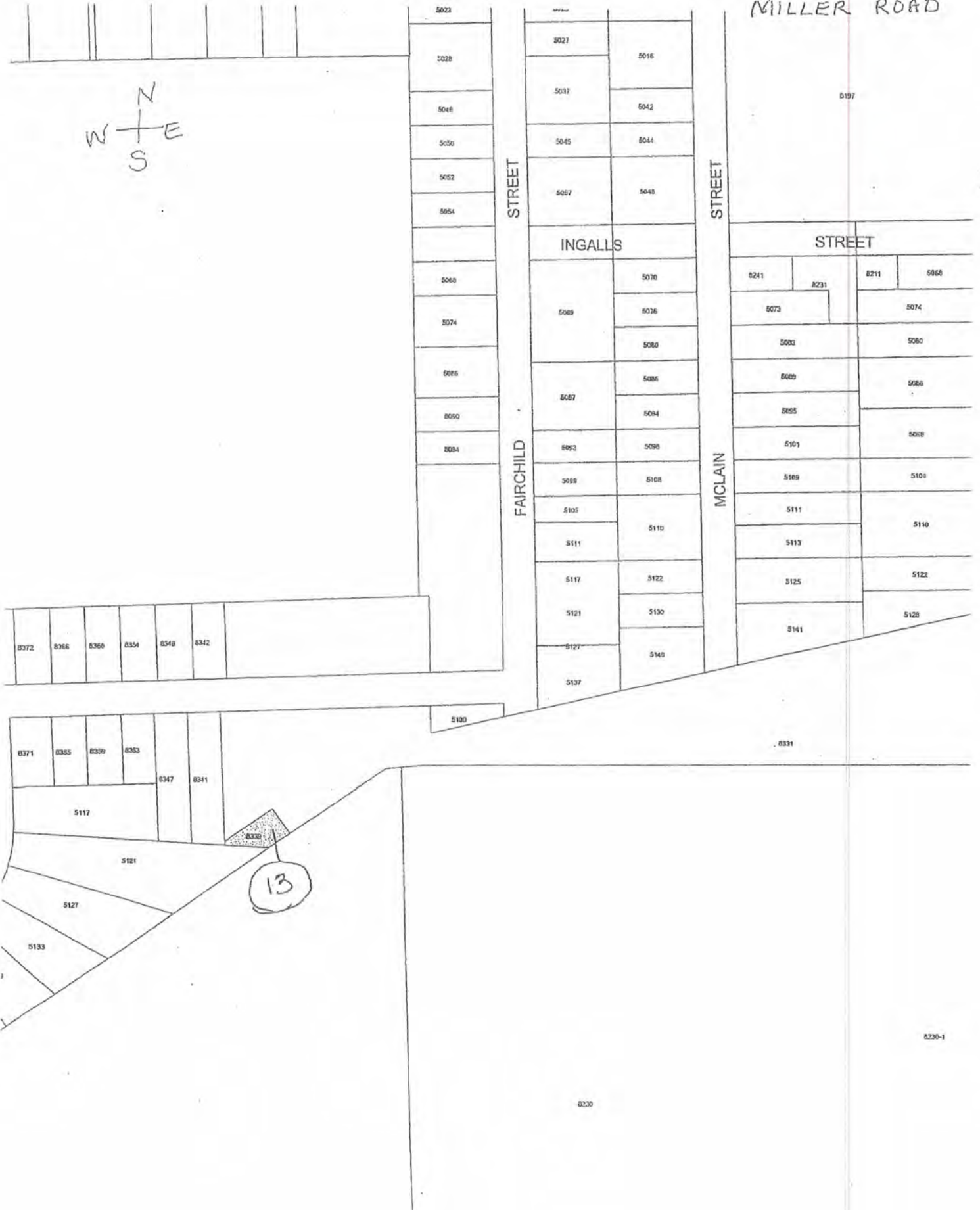


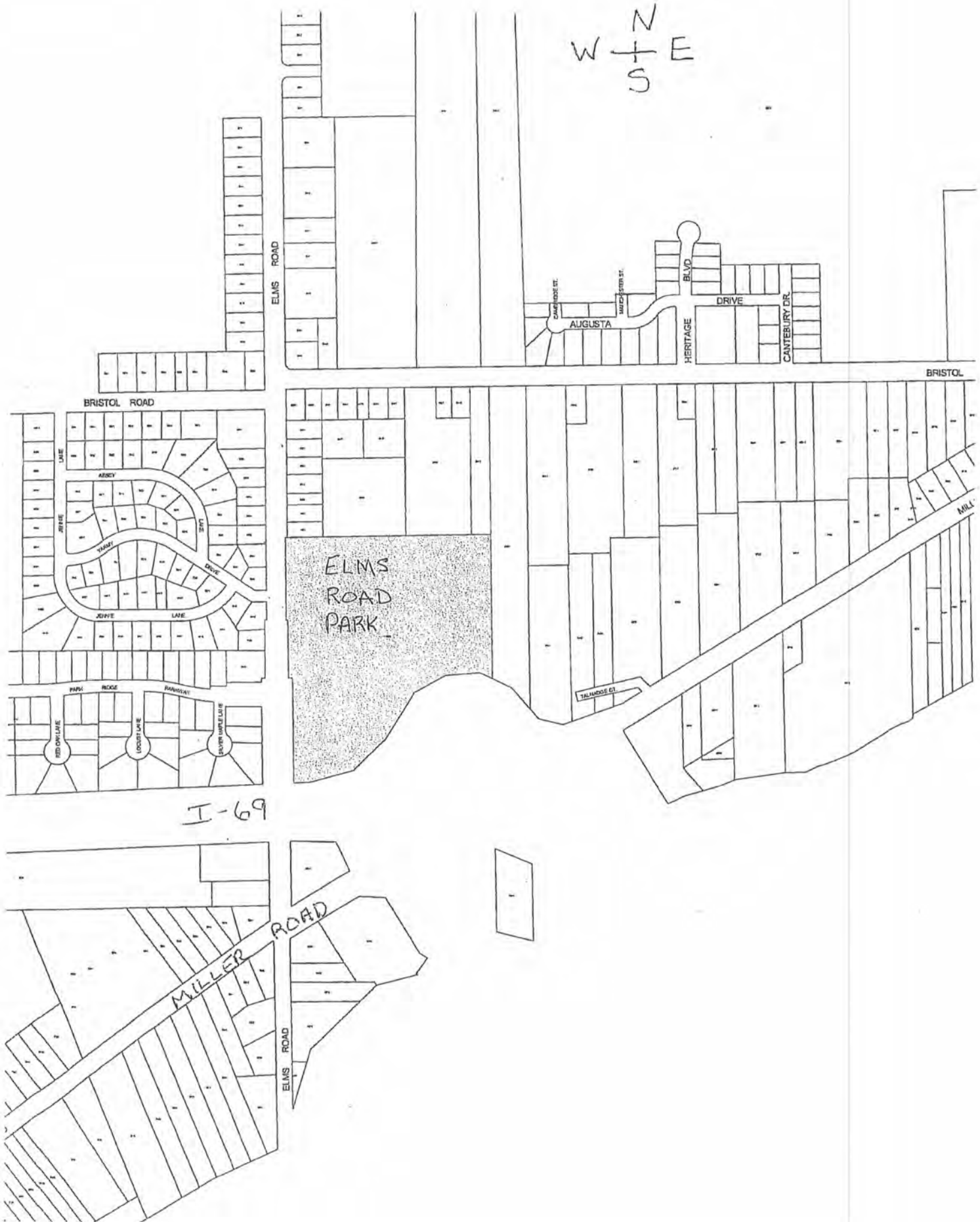
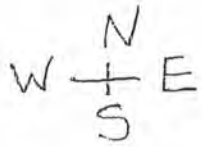
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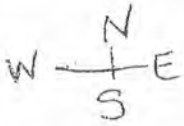




MILLER ROAD











AT&T Michigan  
Angela Wesson  
METRO Act Administrator  
54 N. Mill Street  
Mailbox #30  
Pontiac, MI 48342

January 25, 2019

Swartz Creek City  
8083 Civic Dr  
Swartz Creek, MI 48473

**METRO ACT RIGHT OF WAY PERMIT EXTENSION**

Dear Swartz Creek City,

This is a letter agreement which extends the existing METRO Act Permit issued by the Swartz Creek City/Genesee County to Michigan Bell Telephone Company d/b/a AT&T Michigan ("AT&T") which expires on April 30, 2019. The extension is for a term to end on April 30, 2024.

If this is agreeable, please sign both copies of the extension letter agreement in the place provided below and return to AT&T Michigan at the address on this letterhead. Upon receipt AT&T will acknowledge and return one copy for your files.

Additional information regarding this renewal request may be found at <http://www.michigan.gov/mpsc>. Please click on Telecommunications, METRO Act/Right of Way, and AT&T 5 Year permit extension.

We would appreciate return of the signed copies within 30 days of receiving this request. Your cooperation is appreciated.

If you have any questions feel free to contact Ms. Angela Wesson via e-mail, [AD3245@att.com](mailto:AD3245@att.com) or 248-456-0361.

Agreed to by and on behalf of the  
**Swartz Creek City**

**Michigan Bell Telephone Company d/b/a  
AT&T** acknowledges receipt of this  
Permit Extension granted by the municipality.

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

By: \_\_\_\_\_  
Angela Wesson

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

Its: METRO Act Administrator

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Adam Zettel

---

**From:** Jack Wheatley <JWheatley@rowepsc.com>  
**Sent:** Tuesday, February 05, 2019 3:59 PM  
**To:** Adam Zettel; Thomas Svrcek  
**Cc:** Justin Westbrook  
**Subject:** Fairchild Bids  
**Attachments:** 19-02047.pdf

Adam – attached are the bids for Fairchild. The low bidder is Lois Kay (Saginaw) and they were about \$16K over our estimate and \$20K over the approved TIP amount.

So the breakdown is:

Fed Amount	\$242,957
Local Match (City)	\$ 53,876
Non-Participating (City)	\$ 11,285

The city's total is \$65,160 not including the construction engineering, so you will need to multiply OHM's fee times .1815 to get the city's portion of the CE fees. Let me know if you have any questions. Thanks,

Jack Wheatley, PE | Principal/Vice President | Director of Corporate Marketing

### ROWE PROFESSIONAL SERVICES COMPANY



540 S. Saginaw Street, Ste. 200 | Flint, MI 48502  
O: (810) 341-7500 | F: (810) 341-7573 | C: (810) 869-5121  
[www.rowepsc.com](http://www.rowepsc.com) | Follow us on: [Facebook](#) | [LinkedIn](#)

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Tabulation of Bids

Report v1

Call Number: 047

Contract ID: 25000-130637

Project(s): 1900198

Letting Date: February 01, 2019

Region(s): Davison TSC

Counties: Genesee County

Contract Time: 11/29/19 COMPLETION DATE

Contract Description: 0.26 mi of hot mix asphalt cold milling and resurfacing, concrete sidewalk and ramps, drainage, pavement repairs and pavement markings on Fairchild Street from Cappy Lane to Miller Road in the city of Swartz Creek, Genesee County. This is a Local Agency project. \*\* 292 Cb or Comb/Jt. 292 Ea, N9-3G \*\*In addition to the above minimum prequalification requirement for prime contractors this project includes subclassifications of Cb, Ea and N9-3G. If the prime contractor is not prequalified in those subclassifications it must use prequalified subcontractors. Those subcontractors must be designated prior to award of the contract to the confirmed low bidder.

List of Vendors

Rank	Vendor ID/Name	Total Bid	Percent Of Low Bid	Percent Of Estimate
0	-EST- - Engineer's Estimate	\$292,411.00	94.90%	100.00%
1	00745 - Lois Kay Contracting Co.	\$308,118.25	100.00%	105.37%
2	00656 - Ace-Saginaw Paving Company	\$317,135.68	102.93%	108.46%
3	01682 - C & D Hughes, Inc.	\$339,325.43	110.13%	116.04%
4	07636 - T. G. Priehs, LLC	\$353,462.60	114.72%	120.88%
5	05184 - Cadillac Asphalt, L.L.C.	\$409,105.48	132.78%	139.91%

SUBCONTRACT NO. \_\_\_\_\_  
CONTROL SECTION NO.  
JOB NO.

FED. PROJECT NO.  
FED. ITEM NO.

THIRD PARTY AGREEMENT  
CONSTRUCTION ENGINEERING  
LOCAL AGENCY CONTRACT

THIS CONTRACT, made and entered into as of this date, \_\_\_\_\_, 201\_ by and between Orchard, Hiltz & McCliment (OHM), 34000 Plymouth Road, Livonia, Michigan 48150, hereinafter referred to as the "CONSULTANT," and the City of Swartz Creek, 8083 Civic Drive, Swartz Creek, MI 48473, hereinafter referred to as the "LOCAL AGENCY."

WHEREAS, the LOCAL AGENCY is planning to cold mill and resurface Fairchild Street from Cappy Lane to Miller Road in the City of Swartz Creek, using Federal funds from the City of Swartz Creek; and WHEREAS, the LOCAL AGENCY has assigned Adam Zettel, AICP, City Manager, to be the designated full-time public employee to be in Responsible Charge in accordance with 23 CFR 172.9 (d).

WHEREAS, the LOCAL AGENCY desires to engage the professional services and assistance of the CONSULTANT to perform the construction engineering and other related work, said work to be hereinafter referred to as the "SERVICES," required in connection with the rehabilitation of the following Fairchild Street Mill and Resurface Project, said improvements to be hereinafter referred to as the "PROJECT:"

0.26 mi of hot mix asphalt cold milling and resurfacing, concrete sidewalk and ramps, drainage, pavement repairs and pavement markings on Fairchild Street from Cappy Lane to Miller Road in the City of Swartz Creek, Genesee County

WHEREAS, the LOCAL AGENCY has programmed the PROJECT with the Michigan DEPARTMENT of Transportation, hereinafter referred to as the "MDOT," for the use of Federal Surface Transportation Funds administered by the United States DEPARTMENT of Transportation, Federal Highway Administration, hereinafter referred to as the "FHWA;" and

WHEREAS, the CONSULTANT is willing to render the SERVICES desired by the LOCAL AGENCY for the considerations hereinafter expressed; and

WHEREAS, the CONSULTANT was selected utilizing a qualifications based selection (QBS) process, as applicable; and CONSULTANT performance evaluations will be completed, as defined in Exhibit D.

WHEREAS, the terms and conditions of the PRIME CONTRACT between the MDOT and the LOCAL AGENCY for the PROJECT shall be incorporated by reference as part of this SUBCONTRACT to ensure that if any discrepancies occur between the PRIME CONTRACT and SUBCONTRACT, the PRIME CONTRACT shall prevail; and

WHEREAS, the parties hereto have reached an understanding as to the scope of the work and the performance of the SERVICES on the PROJECT and desire to set forth this understanding in the form of a written contract;

NOW THEREFORE, it is hereby agreed by and between the parties hereto that:

The CONSULTANT will:

1. Perform the work set forth in Exhibit A, dated February 20, 2019, attached hereto and made a part hereof (SERVICES). The LOCAL AGENCY specifically agrees that it will not perform SERVICES that are not included in the scope of SERVICES in Exhibit A – CONSULTANT Proposal.
2. Perform all SERVICES by the applicable codes, laws, and standards of the LOCAL AGENCY and the MDOT and the FHWA.
3. During the performance of the SERVICES herein provided for, be responsible for any loss or damage to the documents, owned by the LOCAL AGENCY while they are in its possession. Restoration of lost or damaged documents shall be at the CONSULTANT'S expense.
4. Furnish qualified personnel, as per 23 CFR Part 172, to assist the PROJECT Engineer/Supervisor in solving problems, when so requested.
5. Attend conferences and make such trips as necessary to the LOCAL AGENCY'S offices and to the site of the work to confer with representative of the LOCAL AGENCY and the MDOT or the FHWA as may be necessary in the carrying out of the work under THIS CONTRACT.
6. Provide and maintain public liability, property damage, and workers' compensation insurance, insuring as they may appear the interests of all parties to THIS CONTRACT against any and all claims that may arise out of the LOCAL AGENCY'S operation hereunder. In addition, provide professional liability insurance, as further defined in Exhibit B, attached hereto and made a part hereof.

7. Commence work on the PROJECT as set forth in and following execution of THIS CONTRACT only upon receipt of written notice from the PROJECT Engineer/Supervisor.
8. Submit billings to the LOCAL AGENCY as set forth in Section 17.
9. Perform all PROJECT work under the direction of the PROJECT Engineer who will be assigned by the LOCAL AGENCY as provided in Section 14.
10. Provide such reports and maintain such records of the PROJECT as are required to document the work to the satisfaction of the PROJECT Engineer, the LOCAL AGENCY, the MDOT, and the FHWA.
11. Permit the LOCAL AGENCY, the MDOT, the FHWA, and other public agencies interested in the plans and designs for the PROJECT to have full access thereto during the progress of the SERVICES being performed thereon.
12. Have their professional endorsement upon all plans, specifications, estimates, and engineering data furnished to the LOCAL AGENCY.
13. Follow standard accounting practices and permit representatives of the LOCAL AGENCY and MDOT, FHWA, U.S. DEPARTMENT OF Transportation's Inspector General, and the Controller General of the United States to audit and inspect its PROJECT books and records at any reasonable time.
  - a. Such records are to be kept available for three (3) years from the date of the final payment for work conducted under THIS CONTRACT.
  - b. In the event of a dispute with regard to the allowable expenses or any other issue under THIS CONTRACT, the CONSULTANT 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.
  - c. In the event of a dispute with regard to the allowable expenses or any other issue under THIS CONTRACT, the CONSULTANT 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.
  - d. If any part of the work is subcontracted, the conditions for the responsibilities of the CONSULTANT apply to the CONSULTANT and their SUBCONSULTANTS (or affiliates).

The LOCAL AGENCY shall:

14. Assign a PROJECT Engineer/Supervisor in responsible charge of the PROJECT.

15. For and in consideration of the SERVICES rendered by the CONSULTANT as set forth in THIS CONTRACT, pay the CONSULTANT on the basis of actual cost plus a fixed fee (profit) amount, which shall not exceed forty-two thousand two hundred twenty-six dollars and ninety-four cents (\$42,226.94). This fixed fee (profit) shall be the amount of three thousand nine hundred forty-eight dollars and twenty cents (\$3,948.20) and amount is included in the total amount of forty-two thousand two hundred twenty-six dollars and ninety-four cents (\$42,226.94), which as shown in Exhibit "A," attached hereto and made part hereof.

16. Pay for actual costs for SERVICES. Work required and performed will be determined in accordance with the following terms, subject to the cost criteria set forth in the Federal Acquisition Regulations, 48 CFR, Part 31.

- a. Direct Salary Costs: Actual labor costs of personnel performing the SERVICES work. This cost will be based on the employees' actual hourly rate of pay and the actual hours of performance on the PROJECT as supported by employee time records.
- b. Direct Costs: Actual costs of materials and SERVICES, other than salaries, as may be required hereunder but which are not normally provided as a part of the overhead of the CONSULTANT. All actual costs shall be itemized and certified as paid to specifically named firms or individuals, and shall be supported by proper receipts.

Overhead (Indirect Costs): For A pro-rated portion of the actual overhead incurred by the CONSULTANT during performance of the PROJECT work shall be computed as set forth in 48 CFR, Federal Acquisition Regulations, Part 31, see Attachment C. The amount of overhead payment, including payroll overhead, will be calculated as a percentage of all direct labor costs related to staff personnel and members of the firm. Overhead shall include those costs, which because of their incurrence for common or joint objectives, are not readily subject to treatment as a direct cost. If a certified overhead rate, attachment C, has not been established, a provisional overhead rate, which will be applied to direct labor costs for progress payments, is set forth in Exhibit A. Use the provisional overhead rate until the actual overhead rate has been determined.

- c. Non MDOT Pre-Qualified CONSULTANT:  
It is agreed that the use of the provisional overhead rate set forth in Exhibit A sets neither a minimum nor maximum to the actual overhead costs to be paid the CONSULTANT. Any overpayments or underpayments made to the CONSULTANT for SERVICES performed resulting from usage of the provisional overhead rate, will be corrected in the first billing submitted subsequent to the CONSULTANT'S calculations of an actual overhead rate for the financial year end applicable to the reported direct labor cost. The audit at the completion of THIS CONTRACT or at such time as THIS CONTRACT is terminated, will verify the propriety of reporting overhead.

**MDOT Pre-Qualified CONSULTANT:**

When work occasioned at the LOCAL AGENCY'S request is contracted with the CONSULTANT to perform the SERVICES, the actual overhead costs incurred by the CONSULTANT at the MDOT-accepted rate during work, computed as set forth in 48 CFR, Federal Acquisition Regulations, Part 31, The amount of overhead payment, including payroll overhead, will be calculated as applied rates to direct labor costs. Overhead costs will include those costs that, because of their incurrence for common or joint objectives, are not readily subject to treatment as direct costs. The MDOT-accepted overhead rate is not subject to adjustment for overhead costs, but the LOCAL AGENCY and MDOT retains the right to audit the records of the CONSULTANT at any reasonable time.

**Contract LOCAL AGENCY Work:**

When work occasioned at the LOCAL AGENCY'S request is contracted with another LOCAL AGENCY to perform the SERVICES, the actual overhead costs incurred by the LOCAL AGENCY shall be computed as set forth in 2 CFR 200.414. The LOCAL AGENCY must submit a 2 CFR 200.414 compliant overhead (indirect) cost rate proposal/plan to MDOT, prior to claiming any overhead (indirect) costs. The LOCAL AGENCY and MDOT retains the right to audit the records of the CONSULTANT at any reasonable time.

Reimbursement for costs incurred is subject to the cost criteria set forth in 48 CFR Part 31, and/or 2 CFR 200 Subpart E-Cost Principles as applicable, is incorporated herein by reference as if the same were repeated in full herein.

- d. Facilities Cost of Capital: A pro-rated portion of the actual facilities costs of capital incurred by the CONSULTANT during work is reimbursable only if the estimated facilities cost of capital was specifically identified in the cost proposal, included in the Scope of Services for this work (Exhibit A).
- e. Travel and Subsistence: Actual costs in accordance with and not to exceed the amounts set forth in the State of Michigan Standardized Travel Regulations, incorporated herein by reference as if the same were repeated in full herein.
- f. Fixes Fee (Profit): In addition to the payments for direct and overhead costs as hereinbefore provided, the LOCAL AGENCY agrees to pay the CONSULTANT a fixed amount for profit for the SERVICES performed. It is agreed and understood that such amount constitutes full compensation to the CONSULTANT for profit and will not vary because of any differences between the estimated cost and the actual cost for work performed, except that in the event THIS CONTRACT is terminated, payment of a fixed fee (profit) in respect to the PROJECT shall be in an amount which can be established by the CONSULTANT from its accounts and records and subject to the provisions of Section 30.



- g. SUBCONSULTANT Costs: Actual costs of SUBCONSULTANTS performing SERVICES under THIS CONTRACT. Amounts for fixed fees paid by the CONSULTANT to the SUBCONSULTANT will not be considered an actual cost of the CONSULTANT, but will be considered a part of the fixed fee of the CONSULTANT.

17. Make payments to the CONSULTANT in accordance with the following procedures:

- a. Progress payments may be made for reimbursement of amounts earned to date and shall include direct costs, other direct costs, calculated amounts for overhead using overhead, and facilities cost of capital using applied rates, set forth hereinbefore, plus a portion of the fixed fee. The portion of the fixed fee which may be included in progress payments shall be equal to the total fixed fee multiplied by the percentage of the work which has been completed to date of billing.
- b. Partial payments will be made upon the submission by the CONSULTANT of a billing, accompanied by properly completed reporting forms and such other evidence of progress as may be required by the LOCAL AGENCY. Partial payments shall be made only one a month.
- c. Final billing under THIS CONTRACT shall be submitted in a timely manner but not later than three (3) months after completion of the SERVICES. Billing for work submitted later than three (3) months after completion of SERVICES will not be paid. Final payment, including adjustments of direct salary costs, other direct costs and overhead costs, will be made upon completion of audit by the LOCAL AGENCY and/or as appropriate, by representatives of the MDOT and the FHWA.

In the event such audit indicates an overpayment, the CONSULTANT will repay the LOCAL AGENCY within sixty (60) days of the date of the invoice.

It is further agreed that:

- 18. Upon completion or termination of THIS CONTRACT, all documents prepared by the CONSULTANT, including tracings, drawings, estimates, specifications, field notes, investigations, studies, etc., as instruments of SERVICE, shall become property of the LOCAL AGENCY.
- 19. No portion of the PROJECT work, hereto before defined, shall be sublet, assigned, or otherwise disposed of except as herein provided or with the prior written consent for the LOCAL AGENCY and approval by MDOT and the FHWA. Consent to sublet, assign or otherwise dispose of any portion of the SERVICES shall not be construed to relieve the CONSULTANT of any responsibility for the fulfillment of THIS CONTRACT.
- 20. All questions which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, and the interpretation of plans and

specifications shall be decided by the LOCAL AGENCY'S PROJECT Engineer/Supervisor. All questions as to the satisfactory and acceptable fulfillment of the terms of THIS CONTRACT shall be decided by the LOCAL AGENCY.

21. This agreement is to be governed by the laws of the State of Michigan. All disputes between the LOCAL AGENCY and CONSULTANT shall be resolved per the Dispute Resolution in Exhibit C.
22. Any change in SERVICES to be performed by the CONSULTANT involving extra compensation must be authorized in writing by the LOCAL AGENCY and approved by the MDOT and the FHWA prior to the performance thereof by the CONSULTANT and requires an amendment to THIS CONTRACT.
23. The CONSULTANT and the LOCAL AGENCY specifically agree that in the event problems arise that may be the result of errors and/or omissions by the CONSULTANT or due to a failure of the CONSULTANT to otherwise perform in accordance with THIS CONTRACT, the CONSULTANT will be held responsible with no cost to the LOCAL AGENCY or in accordance with Dispute Resolution in Exhibit C.
24. In addition, the CONSULTANT shall comply with, and shall require any CONTRACTOR or SUBCONTRACTOR to comply with, the following:
  - a. In connection with the performance of the PROJECT under THIS CONTRACT, the CONSULTANT (hereinafter in Appendix "A" referred to as the "CONTRACTOR") agrees 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 and will require a similar covenant on the part of any CONTRACTOR or SUBCONTRACTOR employed in the performance of THIS CONTRACT.
  - b. During the performance of THIS CONTRACT, the CONSULTANT, for itself, its assignees, and its successors in interest (hereinafter in Appendix B referred to as the "CONTRACTOR"), agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the DEPARTMENT of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, dated June 2011, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to THIS CONTRACT.
  - c. The parties hereto further agree that they accept the MDOT'S Minority Business Enterprises/Women's Business Enterprises (MBE/WBE) Program with respect to the PROJECT and will abide by the provisions set forth in Appendix C, dated October 1, 2005, attached hereto and made a part hereof, being an excerpt from Title 42 C.F.R. Part 23, more specifically 23.43(a)(1) and (2) thereof.

25. The CONSULTANT warrants that it has not employed or retained any company or person other than bona fide employees working solely for the CONSULTANT to solicit or secure THIS CONTRACT and that it has not paid or agreed to pay any company or person other than bona fide employees working solely for the CONSULTANT any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of THIS CONTRACT. For breach or violation of this warranty, the LOCAL AGENCY will have the right to annul THIS CONTRACT without liability or, at its discretion, to deduct from the contract price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.
26. The CONSULTANT specifically agrees that in the performance of the SERVICES herein enumerated, by itself, by an approved SUBCONTRACTOR, or by anyone acting on its behalf, it will comply with any and all state, federal, and local statutes, ordinances, and regulations and will obtain all permits applicable to the entry into the performance of THIS CONTRACT.
27. No charges or claims for damages shall be made by the CONSULTANT for delays or hindrances from any cause whatsoever during the progress of any portions of the SERVICES specified in THIS CONTRACT, except as hereinafter provided.

In case of a substantial delay on the part of the LOCAL AGENCY in providing to the CONSULTANT either the necessary information or approval to proceed with the work, resulting, through no fault of the CONSULTANT, in delays of such extent as to require the CONSULTANT to perform its work under changed conditions not contemplated by the parties, the LOCAL AGENCY will consider supplemental compensation limited to increased costs incurred as a direct result of such delays. Any claim for supplemental compensation must be in writing and accompanied by substantiating data. Authorization of such supplemental compensation shall be by an amendment to THIS CONTRACT subject to prior approval by the MDOT.

When delays are caused by circumstances or conditions beyond the control of the CONSULTANT, as determined by the LOCAL AGENCY, the CONSULTANT may be granted an extension of time for such reasonable period as may be mutually agreed upon between the parties. However, that permitting of the CONSULTANT to proceed to complete the SERVICES, or any part of them, after the date through which the time of completion may have been extended, will in no way operate as a waiver on the part of the LOCAL AGENCY of any of its rights herein set forth.

28. In case the CONSULTANT deems extra compensation will be due it for work or materials not clearly covered in THIS CONTRACT, or not ordered by the LOCAL AGENCY as a change, or due to changed conditions, the CONSULTANT shall notify the LOCAL AGENCY in writing of its intention to make claim for such extra compensation before beginning such work. Failure on the part of the CONSULTANT to give such notification will constitute a waiver of the claim for such extra compensation. The filing of such notice by the CONSULTANT shall not in any way be construed to establish the validity of the claim. Such extra compensation shall be provided only by amendment to THIS CONTRACT with approval of the MDOT and the FHWA.

29. In addition to the protection afforded by any policy of insurance, the CONSULTANT agrees to indemnify and save harmless the State of Michigan, the Michigan State Transportation Commission, LOCAL AGENCY, the FHWA, and all officers, agents, and employees thereof:

- a. From any and all claims by persons, firms, or corporations for labor, materials, supplies, or services provided to the CONSULTANT in connection with the CONSULTANT'S performance of the SERVICES; and
- b. From any and all costs or claims for additional compensation or damages, or injuries to or death of any and all persons, for loss of or damage to property, for environmental damage, degradation, response and cleanup cost, including attorney fees and related costs, caused by errors and/or omissions attributable to the CONSULTANT'S performance of the SERVICES under THIS CONTRACT unless the CONSULTANT proves that notwithstanding the error or omission, the CONSULTANT met generally accepted standards of care. In addition to excusing consultants from liability for errors or omissions that the CONSULTANT proves occurred despite its compliance with generally accepted standards of care, the CONSULTANT will only be responsible for the percentage of the damages and costs that corresponds to the proportion of the total damages and costs caused by the errors and/or omissions attributable to the CONSULTANT for which the CONSULTANT is otherwise liable under this subparagraph.

LOCAL AGENCY will not be subject to any obligations or liabilities by CONTRACTORS of the CONSULTANT or their SUBCONTRACTORS or any other person not a party to THIS CONTRACT without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the CONSULTANT will take no action or conduct that arises either directly or indirectly out of its obligations, responsibilities, and duties under THIS CONTRACT that results in claims being asserted against or judgments being imposed against the State of Michigan, the Michigan State Transportation Commission, LOCAL AGENCY, and/or the FHWA, as applicable. In the event that the same occurs, it will be considered as a breach of THIS CONTRACT, thereby giving the State of Michigan, the Michigan State Transportation Commission, LOCAL AGENCY, and/or the FHWA, as applicable, a right to seek and obtain any necessary relief or remedy, including, but not limited to, a judgment for money damages.

30. LOCAL AGENCY may terminate THIS CONTRACT and/or any AUTHORIZATION(S) under THIS CONTRACT for convenience or cause, as set forth below, before the SERVICES are completed. Written notice of termination will be sent to the CONSULTANT. The CONSULTANT will be reimbursed in accordance with the following:

- a. Termination for Convenience:  
FOR COSTS TO BE REIMBURSED ON AN ACTUAL COST PLUS FIXED FEE

BASIS: The CONSULTANT will be reimbursed for all costs incurred up to the termination date set forth in the notice of termination. Such reimbursement will be as set forth in Sections 16 and 17. The CONSULTANT will be reimbursed a proportionate share of the fixed fee based on the portion of the project that is complete as determined by LOCAL AGENCY. LOCAL AGENCY will receive the work product produced by the CONSULTANT under THIS CONTRACT up to the time of termination, prior to the CONSULTANT being reimbursed. In no case will the compensation paid to the CONSULTANT for partial completion of SERVICES exceed the amount the CONSULTANT would have received had the SERVICES been completed.

b. Termination for Cause:

The LOCAL AGENCY may terminate this CONTRACT whenever the CONSULTANT causes any of the following events to occur: fails to complete any of the SERVICES in a manner satisfactory to LOCAL AGENCY, and/or discloses LOCAL AGENCY'S confidential information, and/or replaces any Key People without prior written approval from LOCAL AGENCY, and/or fails to find an acceptable replacement to the Project Team within thirty (30) days, (or within the extension of time granted by LOCAL AGENCY, if any), and/or makes any public relations communications, (and/or products) that are intended for external audience without prior written approval from the LOCAL AGENCY.

AUTHORIZATION(S) pursuant to THIS CONTRACT for cause. Written notice of termination will be sent to the CONSULTANT. The CONSULTANT will be reimbursed as follows:

FOR COSTS TO BE REIMBURSED ON AN ACTUAL COST PLUS FIXED FEE BASIS: The CONSULTANT will be reimbursed for SERVICES completed up to receipt of the notice of termination. LOCAL AGENCY may pay a proportionate share for a partially completed work product. The value of such partially completed work product will be determined by LOCAL AGENCY based on actual costs incurred up to the estimated value of the work product received by LOCAL AGENCY, as determined by LOCAL AGENCY. Such actual costs will be as set forth in Section 16.

The CONSULTANT will be reimbursed a proportionate share of the fixed fee based on the portion of the project that is complete, as determined by LOCAL AGENCY. LOCAL AGENCY will receive the work product produced by the CONSULTANT under THIS CONTRACT up to the time of termination, prior to the CONSULTANT being reimbursed. In no case will the compensation paid to the CONSULTANT for partial completion of the SERVICES exceed the amount the CONSULTANT would have received had the SERVICES been completed.

The value of such partially completed work product will be determined by LOCAL

AGENCY based on actual costs incurred up to the estimated value of the work product received by LOCAL AGENCY as determined by LOCAL AGENCY.

In the event that termination by LOCAL AGENCY is necessitated by any wrongful breach, failure, default, or omission by the CONSULTANT, LOCAL AGENCY will be entitled to pursue whatever remedy is available to it, including, but not limited to, withholding funds or off-setting against funds owed to the CONSULTANT under THIS CONTRACT, as well as any other existing or future contracts between the CONSULTANT and LOCAL AGENCY, for any and all damages and costs incurred or sustained by LOCAL AGENCY as a result of its termination of THIS CONTRACT due to the wrongful breach, failure, default, or omission by the CONSULTANT.

In the event of termination of THIS CONTRACT and/or any AUTHORIZATION(S), LOCAL AGENCY may procure the professional SERVICES from other sources and hold the CONSULTANT responsible for any damages or excess costs occasioned thereby.

In the event that the CONSULTANT disagrees with LOCAL AGENCY regarding a determination of the completeness or value of SERVICES performed or the amount of reimbursement for which the CONSULTANT is eligible under the provisions of this section, the CONSULTANT may invoke the dispute process defined in Exhibit C.

31. The CONSULTANT’S signature on THIS CONTRACT constitutes the CONSULTANT’S certification of “status” under penalty of perjury under the laws of the United States with respect to 49 CFR Part 29, as amended and as relocated to 2 CFR Part 1200, pursuant to Executive Order 12549.

The certification included as a part of THIS CONTRACT as Attachment A is Appendix A of 49 CFR Part 29 and applies to the CONSULTANT (referred to in Appendix A as “the prospective primary participant”).

The CONSULTANT is responsible for obtaining the same certification from all SUBCONTRACTORS under THIS CONTRACT by inserting the following paragraph in all subcontracts:

“The SUBCONTRACTOR’S signature on THIS CONTRACT constitutes the SUBCONTRACTOR’S certification of ‘status’ under penalty of perjury under the laws of the United States with respect to 49 CFR Part 29, as amended and as relocated to 2 CFR Part 1200, pursuant to Executive Order 12549. The certification included as a part of THIS CONTRACT as Attachment B is Appendix B of 49 CFR Part 29.”

This certification is required of all SUBCONTRACTORS, testing laboratories, and other lower tier participants with whom the CONSULTANT enters into a written arrangement for the procurement of goods or services provided for in THIS CONTRACT.

32. The CONSULTANT’S signature on THIS CONTRACT constitutes the CONSULTANT’S certification that to the best of his or her knowledge and belief no

federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, removal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

The CONSULTANT will require that the language of this certification be included in the award documents for all third-party agreements (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients will certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification will be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000.00) and not more than One Hundred Thousand Dollars (\$100,000.00) for each such failure.

33. The CONSULTANT agrees to pay each SUBCONTRACTOR for the satisfactory completion of work associated with the subcontract no later than ten (10) calendar days from the receipt of each payment the CONSULTANT receives from MDOT. This requirement is also applicable to all sub-tier SUBCONTRACTORS and will be made a part of all subcontract agreements.

This prompt payment provision is a requirement of 49 CFR Part 26, as amended, and does not confer third-party beneficiary right or other direct right to a SUBCONTRACTOR against MDOT. This provision applies to both DBE and non-DBE SUBCONTRACTORS.

The CONSULTANT further agrees that it will comply with 49 CFR Part 26, as amended, and will report any and all DBE SUBCONTRACTOR payments to MDOT semi-annually in the format set forth in Appendix G, dated July 2015, attached hereto and made a part hereof, or any other format acceptable to MDOT.

34. The CONSULTANT agrees that the costs reported to LOCAL AGENCY for THIS CONTRACT will represent only those items that are properly chargeable in accordance with THIS CONTRACT. The CONSULTANT 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.

The following exhibits, appendices, and attachments are included on page 14 of THIS CONTRACT, IN WITNESS WHEREOF, the parties hereto have set their hands and seals by their duty authorized agents and representative the day and year first above written.

CITY OF SWARTZ CREEK

By: \_\_\_\_\_  
DAVID KRUEGER  
TITLE: MAYOR

OHM ADVISORS

By: \_\_\_\_\_  
PATRICK G. WINGATE, PE  
TITLE: DIRECTOR OF TRANSPORTATION



## List of Exhibits/Appendixes/Attachments

**Exhibit A** – CONSULTANT Proposal: Scope of Services / Derivation

**Exhibit B** – Professional Liability Insurance

**Exhibit C** – The Dispute Resolution Process

**Exhibit D** – Consultant Performance Evaluations

**Appendix A** – Prohibition of Discrimination in State Contracts

**Appendix B** – TITLE VI Assurance

**Appendix C** – Assurances that Recipients and Contractors Must Make

**Appendix D** – Local Consultant Conflict of Interest

**Appendix E** – Public Relations Communications, and Use of Project Information for External Audiences

**Appendix G** – Prime Consultant State of DBE Sub-Consultant Payments

**Attachment A** – Certification Regarding Debarment, Suspension, and Other Responsibility Matters  
– Primary Covered Transactions

**Attachment B** – Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusions-Lower Tier Covered Transactions

**Attachment C** – Transportation Certification of Indirect Rate

**EXHIBIT A**

**CONSULTANT Proposal: Scope of Services /**

Derivation of Costs



February 20, 2019

Adam Zettel, AICP  
 City Manager  
 City of Swartz Creek  
 8083 Civic Drive  
 Swartz Creek, Michigan 48473

**RE: Construction Engineering Services Proposal  
 Fairchild Street Mill and Resurface**

Dear Mr. Zettel:

Orchard, Hiltz & McCliment, Inc. (OHM) is pleased to submit a proposal for Construction Engineering services for your Fairchild Street Mill and Resurface project.

**PROJECT UNDERSTANDING**

The design of Fairchild Street has been completed and was included in the February 1, 2019 Michigan Department of Transportation (MDOT) Letting. We understand the low bidding contractor was Lois Kay Contracting Co. and that the official award will be made within the next few weeks. The City has the construction engineering programmed for \$42,600 and will receive Federal Funding (81%) for this service, with the local match being 19%.

The project consists of milling and resurfacing the entire pavement width, drainage improvements, concrete sidewalk, ADA ramps, and pavement marking. The existing street cross section includes two travel lanes and two parking lanes. The existing pavement will be milled and resurfaced with a two course overlay on the existing HMA road section. The project is scheduled to begin no earlier than June 10, 2019 and to be open to traffic by August 2, 2019.

**SCOPE OF SERVICES**

OHM proposes the following scope of services to assist the City of Swartz Creek with Construction Engineering Services:

▼ **Staking services**

OHM will provide construction staking for proposed sidewalk, underground utilities, curb and gutter. Staking will be placed at the intervals and elevations requested by the Contractor.



### ▼ **Field Inspection services**

Construction Inspection will be performed by a Field Engineering Technician and will consist of full-time on-site observation of the work performed by the Contractor(s) to document and report the construction and progress. Inspector Daily Reports (IDRs) will be prepared documenting pay item quantities and the general work progress for the day. Checking line and grade for compliance with the survey stakes will be provided as part of the Field Engineering Technician's daily responsibilities. The Field Engineering Technician will resolve and residents' questions. The Field Engineering Technician will interact with the contractor's supervisory personnel to notify them if work is unacceptable and in need of correction; or the removal and replacement of specific work elements if the situation warrants.

Another vital service provided by the Field Engineering Technician will be the inspection of the construction site to assure the proper soil erosion and sedimentation controls are in place. An MDEQ certified NPDES Storm Water Operator will be assigned to inspect and document the project per the NPDES requirements and the required form will be completed after each review identifying the status of the soil erosion control measures and what directive(s) was given to the Contractor.

### ▼ **Materials Testing services**

OHM will provide materials testing on this project for concrete, hot mix asphalt pavement, and aggregate analysis. Density testing of aggregates and of each pavement layer will be conducted by OHM staff and the applicable MDOT forms will be completed and included in the project file. All materials testing will be completed by MDOT certified staff and all required documentation will be completed in accordance with MDOT requirements.

OHM has teamed up with SMAC Testing, Inc. to complete the duties related to HMA Materials Testing performed at the asphalt plant.

### ▼ **Construction Administration services**

Contract Administration shall consist of Office Technician and Construction Engineering. The Office Technician portion shall include documenting the construction using MDOT's Field Manager. Included under this item of work is all documentation required by MDOT including the following:

- Initial FieldManager setup and distribution of 'Read-Only' copies as requested
- Verify all 1302A forms for subcontractors are complete and pay items are associated with the appropriate subcontractors
- Review Materials Source Lists to assure they are in accordance with MDOT standards
- Ensure all project information is uploaded into ProjectWise to ease the documentation flow process
- Generate bi-weekly pay estimates for review and approval by the Project Engineer
- Coordinate draft documentation and distribute to the City, MDOT and the Project Engineer for review and approval
- Generate any Contract Modifications and compile supporting documentation
- Verify compliance of prompt payment requirements



- Compile certified payroll documentation, complete reviews and prepare any correspondence regarding compliance or additional information for the Project Engineer's signature
- Facilitate completion of Contractor Performance Evaluations (CPE's) and circulate for signatures
- Work with project engineer on closeout process, including final pay estimate, file review and certification.

The Construction Engineering portion will include facilitating the preconstruction meeting, aiding the City or Contractor in the interpretation of the contract documents, reviewing project schedules and coordinating bi-weekly progress meetings to monitor project schedule, compliance with the Special Provisions, Progress Clause, and other specific requirements of the contract. In addition, the OHM team will make trips to the project site to observe the work and progress to aid in determining if the Contractor's work is in accordance with the contract documents. OHM will assist the City with drafting letters to businesses and residents as applicable during construction.

The Construction Engineering services will also consist of the supervision of the field inspection staff to provide appropriate project staffing, review project documentation, perform shop drawing reviews, resolve construction issues or problems, review and make recommendations to the City and MDOT regarding claims from the Contractor.

#### COMPENSATION AND SCHEDULE

The anticipated costs for the services of OHM is \$42,226.94, which includes a fixed fee of \$3,948.20.

In order for MDOT to reimburse the City the Federal Funds for construction engineering services, the City shall enter into a 3rd Party Agreement with MDOT and OHM. We have attached this proposal as a part the 3rd Party Agreement for review and execution if approved.

We are prepared to schedule a preconstruction meeting with the Contractor as soon as the official award is made, and we anticipate the meeting to take place in April 2019. At that time, we will confirm the construction schedule with the Contractor.

We look forward to being a part of the team and working with the City on another successful project. Should you have any questions regarding this proposal, please feel free to call me at (810) 396-4015.

Sincerely,  
OHM

Andrew J. Harris, PE  
Project Manager

**SUMMARY OF TOTAL PROJECT COSTS BY JOB NUMBER**

All Prime and Subconsultant Costs for ALL JOB NUMBERS (including phases). For amendment or revision, complete this form showing all job numbers for all services provided. Report Tier 2 Subconsultant costs with Tier 1 Subconsultants. For use with all Priced Proposals. Use additional pages as necessary.

<b>MDOT CONTROL SECTION(S) - JOB NUMBER(S):</b>  <b>CS - JN</b>	<b>CONTRACT / AUTHORIZATION NUMBER:</b>	
<b>PRIME CONSULTANT NAME:</b>  <b>Orchard, Hiltz &amp; McCliment, Inc.</b>	<b>DBE Goal:</b>	<b>PROJECT DESCRIPTION:</b>

Consultant	Firm Role:	Contracted to:	Payment Method:	Job Number	Job Number	Job Number	Job Number	DBE (Y/N)	Total	% of Contract
<b>HOURS</b>				484	-	-	-		484	
Orchard, Hiltz & McCliment, Inc.	P	MDOT	ACFF	484	-	-	-		484	
<b>LABOR</b>				\$ 12,839.92	\$ -	\$ -	\$ -		\$ 12,839.92	
Orchard, Hiltz & McCliment, Inc.	P	MDOT	ACFF	\$ 12,839.92	\$ -	\$ -	\$ -		\$ 12,839.92	
<b>OVERHEAD</b>				\$ 23,052.79	\$ -	\$ -	\$ -		\$ 23,052.79	
Orchard, Hiltz & McCliment, Inc.	P	MDOT	ACFF	\$ 23,052.79	\$ -	\$ -	\$ -		\$ 23,052.79	
<b>F.C.C.M.</b>				\$ 86.03	\$ -	\$ -	\$ -		\$ 86.03	
Orchard, Hiltz & McCliment, Inc.	P	MDOT	ACFF	\$ 86.03	\$ -	\$ -	\$ -		\$ 86.03	
<b>OTHER DIRECT EXPENSES</b>				\$ 2,300.00	\$ -	\$ -	\$ -		\$ 2,300.00	
SMAC Testing	T1	OHM	UNIT	\$ 2,300.00	\$ -	\$ -	\$ -		\$ 2,300.00	
<b>FIXED FEE</b>				\$ 3,948.20	\$ -	\$ -	\$ -		\$ 3,948.20	
Orchard, Hiltz & McCliment, Inc.	P	MDOT	ACFF	\$ 3,948.20	\$ -	\$ -	\$ -		\$ 3,948.20	

<b>TOTAL COSTS SUMMARY</b>										
Consultant Totals	Firm Role:	Contracted to:	Payment Method:	Job Number	Job Number	Job Number	Job Number	DBE (Y/N)	Total	% of Contract
Orchard, Hiltz & McCliment, Inc.	P	MDOT	ACFF	\$ 39,926.94	\$ -	\$ -	\$ -	N	\$ 39,926.94	94.6%
SMAC Testing	T1	OHM	UNIT	\$ 2,300.00	\$ -	\$ -	\$ -		\$ 2,300.00	5.4%
Firm Role Key: P = Prime Firm, T1 = Tier 1 Sub, T2 = Tier 2 Sub										
<b>TOTAL COSTS</b>				<b>\$ 42,226.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 42,226.94</b>	<b>100.0%</b>

**DERIVATION OF PRIME CONSULTANT COSTS**

Summary of all Prime Costs for ALL JOB NUMBERS (including phases) for all services provided. Use additional pages as necessary.

<b>MDOT CONTROL SECTION(S) - JOB NUMBER(S):</b>  <b>CS - JN</b>	<b>CONTRACT / AUTHORIZATION #:</b>	<b>FIRM ROLE:</b>  <b>Prime Firm</b>
<b>PRIME CONSULTANT NAME:</b>  <b>Orchard, Hiltz &amp; McCliment, Inc.</b>	<b>PROJECT DESCRIPTION:</b>	

<b>PRIME LABOR:</b>						
CLASSIFICATION	HOURS	x	\$	RATE/HR	=	LABOR COST
Prof Eng/Arch IV		x		54.68	=	-
Technician IV	52	x		39.18	=	2,037.36
Technician II	350	x		25.01	=	8,753.50
Surveyor III	10	x		30.13	=	301.30
Technician I	44	x		19.58	=	861.52
Total Hours: <u>484</u>				<b>Total Labor</b>		<b>\$ 12,839.92</b>

<b>PRIME OVERHEAD: (Total Labor x Overhead Rate)</b>						
Overhead Rate: <u>179.54%</u>				<b>Total Overhead</b>		<b>\$ 23,052.79</b>

<b>PRIME FACILITIES CAPITAL COST OF MONEY (F.C.C.M.): (Total Labor x F.C.C.M. Rate)</b>						
F.C.C.M. Rate: <u>0.67%</u>				<b>Total F.C.C.M.</b>		<b>\$ 86.03</b>

<b>PRIME FIXED FEE FOR PROFIT: ((Total Labor + Total Overhead) x 11%)</b>						
Fixed Fee Rate: <u>11%</u>				<b>Total Fixed Fee</b>		<b>\$ 3,948.20</b>

<b>TOTAL PRIME FIRM COSTS</b>						<b>\$ 39,926.94</b>
<i>Firm Role: Prime Firm</i>			<i>Note: Payment Method = ACFF</i>			



**DERIVATION OF SUBCONSULTANT COSTS**

Summary of all Sub Costs for ALL JOB NUMBERS (including phases) for all services provided. Use additional pages as necessary.

<p>MDOT CONTROL SECTION(S) - JOB NUMBER(S):</p> <p style="text-align: center;"><b>CS - JN</b></p>	<p>CONTRACT / AUTHORIZATION #:</p>	<p>FIRM ROLE:</p> <p style="text-align: center;"><b>Tier 1 Sub</b></p>
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<p>SUBCONSULTANT NAME:</p> <p style="text-align: center;"><b>SMAC Testing</b></p>	<p>PROJECT DESCRIPTION:</p>
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<p><b>SUB OTHER DIRECT EXPENSES:</b> (List each item once at Actual Cost - NO MARKUP.)</p>						
<p style="text-align: center;"><u>Items</u></p>	<p style="text-align: center;"><u>Quantity</u></p>	<p style="text-align: center;"><u>@</u></p>	<p style="text-align: center;"><u>Unit Price</u></p>	<p style="text-align: center;"><u>Unit</u></p>	<p style="text-align: center;"><u>Item Price</u></p>	
<p>Construction Testing HMA</p>	<p style="text-align: center;">4.00</p>	<p style="text-align: center;">@</p>	<p style="text-align: center;">\$ 575.000</p>	<p style="text-align: center;">Daily</p>	<p style="text-align: center;">= \$</p>	<p style="text-align: right;">2,300.00</p>
<p style="text-align: right;"><b>Total Other Direct Expenses \$</b></p>						<p style="text-align: right;"><b>2,300.00</b></p>

<p style="text-align: right;"><b>TOTAL SUBCONSULTANT COSTS \$</b></p>						<p style="text-align: right;"><b>2,300.00</b></p>
<p><i>Firm Role: Tier 1 Sub to OHM</i></p>			<p><i>Note: Payment Method = UNIT</i></p>			

## **EXHIBIT B**

### **PROFESSIONAL LIABILITY INSURANCE**

**June 27, 1996**

The CONSULTANT specifically agrees to maintain professional liability insurance for protection from claims arising out of the performance of SERVICES under THIS CONTRACT.

This insurance will be maintained in an amount not less than One Million Dollars (\$1,000,000.00) per claim and annual aggregate. Such insurance will be in effect for the life of THIS CONTRACT and for the period through the construction and DEPARTMENT acceptance of such construction, resulting from the SERVICES provided by THIS CONTRACT, whichever is later.

As evidence of said coverage, the CONSULTANT will submit to the DEPARTMENT certificates of insurance. All required insurance will be in effect and all documents required by this section will be submitted to the DEPARTMENT prior to the commencement of the SERVICES. All such approvals will include a provision for a cancellation notice of not less than thirty (30) days, directed to the DEPARTMENT. The CONSULTANT specifically agrees to immediately provide written notification of any change to its professional liability insurance coverage.

**EXHIBIT C**  
**THE DISPUTE RESOLUTION PROCESS**  
**November, 2015**

**BACKGROUND**

During the design and construction phases of projects, there are quality assurance and quality assessment procedures required of CONSULTANTS and the LOCAL AGENCY that are intended to minimize the occurrence of errors and/or omissions. Even so, there are often valid changes required during construction in order to complete the project. These changes may or may not be the result of the Design or Construction Engineering Consultant's errors or omissions.

Some of the changes may be due to errors and/or omissions in the Design Plans or Construction Engineering Services resulting in cost increases to the project or degradation of quality of the road project. When changes to a project result in errors or omissions and cause additional costs or reduction in quality, an assessment must be made to determine the extent of the Design and/or Construction Engineering consultant's responsibility for the errors and/or omissions, including the CONSULTANT'S share of the additional costs.

LOCAL AGENCY personnel must keep in mind that Design Plans and Construction Engineering Services will normally contain minor deficiencies that do not materially (*an issue is considered material when the perceived cost of the error and/or omission is greater than the administrative cost of the dispute resolution process*) affect the cost or quality of the project. The steps to assign responsibility are intended to be used in those cases where LOCAL AGENCY personnel have reason to believe that, in their professional judgment, a Design and/or Construction Engineering CONSULTANT did not adhere to recognized professional standards of care in the performance of its duties, resulting in substantial additional costs to the LOCAL AGENCY.

It is also important to understand that the cost of correcting an error and/or omission should be compared to the estimated first-time cost that would have been incurred had the services or contract documents been correct to begin with. For example, the omission of a pay item that has to be added during construction will cause an increase in the construction cost, but the cost would have been higher had the pay item been included from the beginning. In this case, the cost of the omission depends on how much more it costs to include the item during construction than it would have cost had the item been included when the project was bid. This is known as premium cost. Premium costs are the additional cost of a contract that would not have been incurred if the work had been included in the original contract. More specifically, premium costs are dollar amounts paid for non value added work. Delays, inefficiencies, rework, or extra work as shown below, other than those caused by the CONTRACTOR or his or her SUBCONTRACTORS or suppliers, will be considered as non-value added work. Non-value added work can occur in three distinct situations.

- Work delays or inefficiencies. The premium costs are the total delay/ inefficiencies damages paid to the CONTRACTOR.
- Rework. The premium costs are the dollar amounts paid for the original items of work that have to be removed plus the costs to remove these items.
- Extra work. The premium costs are the net difference between the final, agreed-upon price paid to the CONTRACTOR and the Engineer's Estimate i.e., what the cost would have been had the extra work been included in the original bid at letting.

Premium costs associated with Errors and Omissions shall be Federal-aid Non-Participating.

Another example is improper or missing testing documentation. In this case, the cost of the omission depends on whether or not the Federal Aid or State participation will remain as the quality of the construction may not be able to be determined and was affected by the missing or improper acceptance documentation to support payment.

## **THE PROCESS – OVERVIEW**

PROJECTS will be built as designed and let. Furthermore, field staff will not revise the design for purposes of enhancement or personal choice. In the event the PROJECT cannot be practically built or let as designed, due to omissions or errors, then the steps of this procedure will govern.

There are three (3) possible categories of potential errors, omissions, or questions of a material nature.

**Category 1 – Design Issues** The first category is when potential errors, omissions, or questions of a material nature are related to the Design Plans only. These events will be referred to as “Design Issues” until such time as the cause, effect, and responsibility have been determined. *[Any issue is material when the cost of the error and/or omission is perceived to be greater than the administrative cost of the dispute resolution process.]*

**Category 2 – Design/Construction Engineering Issues** The second category is when it cannot be determined whether the potential errors, omissions, or questions of a material nature are encountered in the Construction Engineering Services or in the Design Plans.. These events will be referred to as “Construction Engineering/Design Issues” until such time as the cause, effect, and responsibility have been determined.

**Category 3 – Construction Engineering Issues** The third category is when the potential errors, omissions, or questions of a material nature are encountered in Construction Engineering Services and not related to the Design Plans. These events will be referred to as “Construction Engineering Issues” until such time as the cause, effect, and responsibility have been determined.

In the event that the **MDOT TSC Construction Engineer** decides that the Design and/or Construction Engineering Issue is not material, the Local Agency Project Supervisor will proceed unilaterally. A copy of the Design Issue decision, changes, and/or other relevant documents must be sent immediately to the **LOCAL AGENCY**, and the Construction Engineering CONSULTANT, if applicable. Typically, this will be a e-mail of the work order. The **LOCAL AGENCY** will forward these decisions, changes, and/or other documents to the Design Consultant. This step is important for two reasons. First, the Design CONSULTANT, and/or the **LOCAL AGENCY** will have an opportunity to review the change and take action if they disagree. Second, this will give an opportunity for everyone to learn of the deficiencies in order to improve the product in the future.

In the event that the **MDOT TSC Construction Engineer** is uncertain regarding the designer’s intent, he/she must contact the **LOCAL AGENCY** to determine the intent. The **LOCAL AGENCY** will contact the CONSULTANT staff when appropriate.

The process will initially focus on solving the problem with the objective of minimizing the impact on construction. After that, the process will focus on responsibility according to the multi-step procedure that follows. The step of determining responsibility must be taken any time the Design and/or Construction Engineering CONSULTANT is brought into the process and incurs costs. These steps must also be taken any time errors and/or omissions in consultant prepared Design Plans or Construction Engineering Services result in increased cost during construction or decrease in the quality of the project.

The determination of the degree of responsibility for substandard work must include a review of the CONSULTANT’S scope of work, the standards in effect when the work was done, design information provided to the CONSULTANT, and directions provided by the LOCAL AGENCY. In making this determination, the LOCAL AGENCY must discuss the error and/or omission with the CONSULTANT and any involved LOCAL AGENCY personnel to obtain all information and points of view. The LOCAL AGENCY is to make a record of conversations and other documentation that support whatever determination is made and then place copies of those records in the project files. Separate budgets will be created for payment to Design and Construction Engineering CONSULTANTS for their correction of Design or Construction Engineering Issues that are judged not to be their responsibility and for changes by the LOCAL AGENCY for their activities during this process.

**PROCESS – DISPUTE RESOLUTION**

For levels one and two of these proceedings, the first focus should be on resolving the Design or Construction Engineering Issue in order to minimize the impact on construction. The LOCAL AGENCY and the consultant will attempt to jointly determine the solution. In the event that such agreement cannot be reached, the LOCAL AGENCY alone will decide on the appropriate solution. In the event that the Design and/or Construction Engineering CONSULTANT does not agree with any of these decisions, it may appeal its financial responsibility to the next level. After the Design or Construction Engineering Issue is resolved, the focus shifts to responsibility and financial implications. All decisions must be completely agreed upon by the representatives of the LOCAL AGENCY.

**Level 1 – Omissions and Errors Identification and Correction**

**Step A** – Notify the Design or Construction Engineering CONSULTANT of the first notice of the issue in either design or construction.

**Step B** – The LOCAL AGENCY and CONSULTANT personnel will collaborate on the safest, cost efficient solution to construct the project within the character of the scope of work. If consensus cannot be reached the LOCAL AGENCY is then charged with determining the appropriate resolution to the issue to get the project back under design or construction. This issue resolution should be discussed with the MDOT TSC Construction Engineer with regards to appropriateness and potential project financial participation implications prior to any final decisions being made.

**Step C** – Issue Work Order/Contract Modification that resolves issue so that design or construction work may continue. Processes for contract modifications will follow those

set forth in the MDOT Construction Manual or other guidance documents pertaining to revisions to the contract.

## **Level 2 – Cost Responsibility Determination**

**Step A** – Mutually determine, between the LOCAL AGENCY and the CONSULTANT, if the issue was caused by a plan error or omission.

If it is determined that a plan error created the issue, the financial responsibility for the correction and associated design and construction costs will be borne 100% by the CONSULTANT.

If it is determined that an omission created the issue, only the premium cost above what the LOCAL AGENCY would have expected to pay, if the work was included in the original bid construction documents, will be borne by the CONSULTANT.

**Step B** – If the CONSULTANT disagrees with the determination in Step 2 A, then the disputed items are sent to the mutually agreed upon review PANEL for a recommendation of cost responsibility. The LOCAL AGENCY will facilitate the development of the members of the review PANEL.

The LOCAL AGENCY and the CONSULTANT will each select a member of their choosing, the two selected members will then mutually agree to select one more member. The review PANEL will be made up of three members. The LOCAL AGENCY will then notify a PANEL of impartial and non-interested individuals to mediate a resolution to the issue. The cost for the PANEL members should be shared between the LOCAL AGENCY and the CONSULTANT. Example participants could be members ACEC, CRA, MML, etc. The PANEL will guide the LOCAL AGENCY and the CONSULTANT toward an agreement. The staff from MDOT may also be present as observers. At such time as the PANEL determines that the LOCAL AGENCY and the CONSULTANT are not making reasonable progress toward resolving one or more issues, the PANEL will render a non-binding written decision of those issues. In the event the non-binding written decision is not acceptable to either party, then other legal remedies may be sought.

## **Level 3 – Cost Recovery or Payment**

Upon the conclusion of the level 2 process, the LOCAL AGENCY will do one of the following in accordance with the results of this process:

**Cost Recovery** The LOCAL AGENCY will prepare a billing to the Design or Construction Engineering Consultant for its share of the costs incurred for work performed during this process plus its share of any increased costs of construction, in accordance with the Design Consultant's determined share of responsibility; or

**Payment** The LOCAL AGENCY will prepare a payment to the Design or Construction Engineering Consultant for a share of its costs incurred for work performed during this process in accordance with its determined share of responsibility.

Upon the conclusion of this process, the LOCAL AGENCY will do one of the following in accordance with the results of this process:

- a. The LOCAL AGENCY will prepare a billing to the Design or Construction Engineering Consultant for its share of the costs incurred for work performed during this process plus its share of any increased costs of construction, in accordance with the Design Consultant's determined share of responsibility; or
- b. The LOCAL AGENCY will prepare a payment to the Design or Construction Engineering Consultant for a share of its costs incurred for work performed during this process in accordance with its determined share of responsibility.



**EXHIBIT D**  
**CONSULTANT PERFORMANCE EVALUATIONS**

May 20, 2015

The purpose of the Consultant Performance Evaluation process is to: provide CONSULTANTS documented feedback of their performance on local federal-aid projects; promote project management/consultant communication; identify and document areas of potential improvements of CONSULTANT performance, improve the overall quality of local projects, and to obtain ratings for use in future project selections.

The performance evaluation process is required for all types of CONSULTANT services utilizing federal-aid. An evaluation must be prepared for the prime vendor, as well as separate evaluations for each sub-vendor. Evaluations of both prime and SUB-CONSULTANTS are critical because their evaluation scores affect future selection scoring and ranking. The performance evaluation should include, but not be limited to, an assessment of timely completion of work, adherence to contract scope and budget, and the quality of the work conducted. .

The LOCAL AGENCY specifically agrees to complete and maintain CONSULTANT performance evaluations at the end of THIS CONTRACT and submit them to MDOT before the final reimbursement will be processed in LARS.

## 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.
  - 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

### **Assurances that Recipients and CONTRACTORS Must Make** (Excerpts from US DOT Regulation 49 CFR § 26.13)

1. 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.).

2. Each contract MDOT signs with a CONTRACTOR (and each subcontract the prime CONTRACTOR signs with a SUBCONTRACTOR) must include the following assurance:

The CONTRACTOR, subrecipient 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.

(Revised October 1, 2005)

## **APPENDIX D**

### **LOCAL CONSULTANT CONFLICT OF INTEREST**

The CONSULTANT and its Affiliates agree not to have any public or private interest, and shall not acquire directly or indirectly any such interest in connection with the project, that would conflict or appear to conflict in any manner with the performance of SERVICES under THIS CONTRACT. "Affiliate" means a corporate entity linked to the CONSULTANT through common ownership. The CONSULTANT and its Affiliates agree not to provide any services to a construction CONTRACTOR or any entity that may have an adversarial interest in a project for which it has provided services to the MDOT OR LOCAL AGENCY. The CONSULTANT and its Affiliates agree to disclose to the LOCAL AGENCY and the MDOT all other interests that the prime or SUBCONSULTANT have or contemplate having during each phase of the project. The phases of the PROJECT include, but are not limited to, planning, scoping, early preliminary engineering, design engineering, real estate acquisition, and construction engineering. In all situations, the MDOT will decide if a conflict of interest exists. If the MDOT concludes that a conflict of interest exists, it will inform the LOCAL AGENCY and CONSULTANT and its Affiliates. If the CONSULTANT and its Affiliates choose to retain the interest constituting the conflict, the MDOT may require the LOCAL AGENCY to terminate the Contract for cause if a conflict of interest finding is upheld.



## **Appendix E**

### **Public Relations Communications, and Use of Project Information for External Audiences**

Any public relations communications and/or products pertaining to this CONTRACT or the SERVICES hereunder that are intended for an external audience will not be made without prior written approval from LOCAL AGENCY, and then only in accordance with explicit instructions from LOCAL AGENCY. Examples of public relations communications and/or products may include the following:

Use of the LOCAL AGENCY logo;

Brochures, flyers, invitations, programs, or any other printed materials intended for external audiences;

Posting on social media sites or web sites;

New or updated video, digital versatile disk (DVD), or video sharing productions;

Exhibits or presentations.

A violation of this provision will be considered a breach of this CONTRACT, and LOCAL AGENCY may terminate this CONTRACT under provisions of Section 30(b).

**Appendix G**

**Prime Consultant State of DBE Sub-Consultant Payments**

## ATTACHEMENT A

(This is a reproduction of Appendix A of 49 CFR Part 29)  
**Certification Regarding Debarment, Suspension, and Other  
Responsibility Matters -- Primary Covered Transactions**

### Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the DEPARTMENT or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the DEPARTMENT or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the DEPARTMENT or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DEPARTMENT or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the DEPARTMENT or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DEPARTMENT or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction," provided by the DEPARTMENT

or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the DEPARTMENT or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
  - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal DEPARTMENT or agency;
  - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - d. Have not within a three year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

[60 FR 33042, 33064, June 26, 1995]

## ATTACHMENT B

[This is a reproduction of Appendix B of 49 CFR Part 29]  
**CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY, AND VOLUNTARY EXCLUSION--LOWER  
TIER COVERED TRANSACTIONS**

### Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the DEPARTMENT or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms “covered transaction”, “debarred”, “suspended”, “ineligible”, “lower tier covered transaction”, “participant”, “person”, “primary covered transaction”, “principal”, “proposal”, and “voluntarily excluded”, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the DEPARTMENT or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion--Lower Tier Covered Transaction”, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification

is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (Telephone No. (517) 335-2513 or (517) 335-2514).

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the DEPARTMENT, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion-  
- Lower  
Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal DEPARTMENT or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

[Federal Register Doc. 88-11561 Filed 5-25-88; 8:45 a.m.] March 9, 1989

## CERTIFICATION OF INDIRECT (OVERHEAD) RATE

This Certification is required according to U.S. Department of Transportation, Federal Highway Administration (FHWA) Order 4470.1A, dated October 27, 2010. FHWA has issued this new policy to be effective January 1, 2011. This policy requires consultants to certify that costs used to establish indirect (overhead) cost rates applicable to Federal-aid engineering and design related services contracts do not include any costs which are expressly unallowable, and that the indirect (overhead) rate was established based only on allowable costs.

This certification is to provide assurance that the indirect (overhead) cost rate was calculated in accordance with the applicable cost principles contained in the Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR) Part 31.

This form shall be completed and submitted by the prime consultant, for the prime contract as well as for each subcontract (first and second tier subconsultant(s)) proposed to be included as part of this priced proposal, where an indirect (overhead) rate is proposed. Please note that the Certifying Official is defined as the firm's Executive (Vice President, President or equivalent) or Chief Financial Officer.

### PROJECT INFORMATION

MDOT CONTROL SECTION(S) – JOB NUMBERS(S):	CONTRACT / AUTHORIZATION NUMBER:
LOCAL AGENCY: City of Swartz Creek	
PROJECT DESCRIPTION: 0.26 mi of hot mix asphalt cold milling and resurfacing, concrete sidewalk and ramps, drainage, pavement repairs and pavement markings on Fairchild Street from Cappy Lane to Miller Road in the City of Swartz Creek, Genesee County	

### DECLARATION OF CERTIFICATION

<b>INDIRECT (OVERHEAD) COST RATE:</b>	179.54%
<b>DATE OF INDIRECT (OVERHEAD) COST RATE DETERMINATION (mm/dd/yyyy):</b>	07/10/2018
<b>FISCAL PERIOD COVERED (mm/dd/yyyy to mm/dd/yyyy):</b>	08/01/2018 to 07/31/2019

**I, the undersigned, certify that I have reviewed the indirect (overhead) rate calculation for the fiscal period as specified above and to the best of my knowledge and belief:**

- 1) All costs included to establish the above rate are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) of Title 48, Code of Federal Regulation (CFR), part 31.
- 2) This indirect (overhead) cost rate does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31.

**All known material transactions or events that have occurred affecting the firm's ownership, organization, and indirect (overhead) cost rates have been disclosed.**

### CONSULTANT INFORMATION

ROLE <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Tier 1 Sub <input type="checkbox"/> Tier 2 Sub			
LEGAL BUSINESS NAME: Orchard, Hiltz & McCliment, Inc.		FEDERAL ID NUMBER (Must match prequalification file): 38-1691323	
COMPANY ADDRESS: 34000 Plymouth Road	CITY: Livonia	STATE: MI	ZIP CODE: 48150
EMAIL ADDRESS: pat.wingate@ohm-advisors.com	PHONE NO.: (734) 522-6711		

### CERTIFYING OFFICIAL

NAME OF CERTIFYING OFFICIAL (Print Name and Title): Patrick G. Wingate, PE - Director of Transportation	SIGNATURE OF CERTIFYING OFFICIAL: <div style="font-size: small; text-align: right;">           Patrick Gregory Wingate            Feb 19 2019 1:57 PM         </div>
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## CERTIFICATION OF INDIRECT (OVERHEAD) RATE

This Certification is required according to U.S. Department of Transportation, Federal Highway Administration (FHWA) Order 4470.1A, dated October 27, 2010. FHWA has issued this new policy to be effective January 1, 2011. This policy requires consultants to certify that costs used to establish indirect (overhead) cost rates applicable to Federal-aid engineering and design related services contracts do not include any costs which are expressly unallowable, and that the indirect (overhead) rate was established based only on allowable costs.

This certification is to provide assurance that the indirect (overhead) cost rate was calculated in accordance with the applicable cost principles contained in the Federal Acquisition Regulations (FAR) of Title 48, Code of Federal Regulations (CFR) Part 31.

This form shall be completed and submitted by the prime consultant, for the prime contract as well as for each subcontract (first and second tier subconsultant(s)) proposed to be included as part of this priced proposal, where an indirect (overhead) rate is proposed. Please note that the Certifying Official is defined as the firm's Executive (Vice President, President or equivalent) or Chief Financial Officer.

### PROJECT INFORMATION

MDOT CONTROL SECTION(S) – JOB NUMBERS(S):	CONTRACT / AUTHORIZATION NUMBER:
LOCAL AGENCY: City of Swartz Creek	
PROJECT DESCRIPTION: 0.26 mi of hot mix asphalt cold milling and resurfacing, concrete sidewalk and ramps, drainage, pavement repairs and pavement markings on Fairchild Street from Cappy Lane to Miller Road in the city of Swartz Creek, Genesee County	

### DECLARATION OF CERTIFICATION

<b>INDIRECT (OVERHEAD) COST RATE:</b>	110.0%
<b>DATE OF INDIRECT (OVERHEAD) COST RATE DETERMINATION (mm/dd/yyyy):</b>	02/10/2019
<b>FISCAL PERIOD COVERED (mm/dd/yyyy to mm/dd/yyyy):</b>	01/01/2017 to 12/31/2017

**I, the undersigned, certify that I have reviewed the indirect (overhead) rate calculation for the fiscal period as specified above and to the best of my knowledge and belief:**

- 1) All costs included to establish the above rate are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) of Title 48, Code of Federal Regulation (CFR), part 31.
- 2) This indirect (overhead) cost rate does not include any costs which are expressly unallowable under the cost principles of the FAR of 48 CFR 31.

**All known material transactions or events that have occurred affecting the firm's ownership, organization, and indirect (overhead) cost rates have been disclosed.**

### CONSULTANT INFORMATION

ROLE <input type="checkbox"/> Prime <input checked="" type="checkbox"/> Tier 1 Sub <input type="checkbox"/> Tier 2 Sub			
LEGAL BUSINESS NAME: SMAC Testing		FEDERAL ID NUMBER (Must match prequalification file): 14-2012446	
COMPANY ADDRESS: 824 Tittabawassee Raod	CITY: Saginaw	STATE: MI	ZIP CODE: 48604
EMAIL ADDRESS: smacdonald@smactesting.com		PHONE NO.: (989) 249-1105	

### CERTIFYING OFFICIAL

NAME OF CERTIFYING OFFICIAL (Print Name and Title): Stuart MacDonald, Owner	SIGNATURE OF CERTIFYING OFFICIAL: <b>Stuart MacDonald</b>
--	---

Digitally signed by Stuart MacDonald  
DN: cn=Stuart MacDonald, o=SMAC  
Testing, Inc. ca,  
email=smacdonald@smactesting.com,  
c=US  
Date: 2019.02.19 13:44:13 -0500



REVENUE AND EXPENDITURE REPORT FOR CITY OF SWARTZ CREEK  
PERIOD ENDING 01/31/2019

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
Fund 101 - General Fund					
000.000 - General	2,293,643.00	2,300,843.00	1,719,354.33	581,488.67	74.73
215.000 - Administration and Clerk	75.00	75.00	31.70	43.30	42.27
253.000 - Treasurer	1,000.00	1,000.00	6,229.07	(5,229.07)	622.91
301.000 - Police Dept	5,400.00	5,400.00	5,406.40	(6.40)	100.12
345.000 - PUBLIC SAFETY BUILDING	18,200.00	18,200.00	15,855.11	2,344.89	87.12
410.000 - Building & Zoning & Planning	51,350.00	51,350.00	55,984.00	(4,634.00)	109.02
448.000 - Lighting	8,990.00	8,990.00	4,504.22	4,485.78	50.10
782.000 - Facilities - Abrams Park	195.00	195.00	0.00	195.00	0.00
783.000 - Facilities - Elms Rd Park	7,600.00	7,600.00	1,770.00	5,830.00	23.29
786.000 - Non-Motorized Trailway	0.00	0.00	15,000.00	(15,000.00)	100.00
790.000 - Facilities-Senior Center/Libr	8,200.00	8,200.00	4,579.72	3,620.28	55.85
790.012 - CDBG Senior Center Operations	1,724.00	1,724.00	0.00	1,724.00	0.00
TOTAL REVENUES	2,396,377.00	2,403,577.00	1,828,714.55	574,862.45	
000.000 - General	1,000.00	350.00	0.00	350.00	0.00
101.000 - Council	16,708.82	16,953.58	12,854.14	4,099.44	75.82
172.000 - Executive	103,388.18	104,680.66	61,591.96	43,088.70	58.84
201.000 - Finance,Budgeting,Accounting	46,874.00	48,658.76	31,927.00	16,731.76	65.61
215.000 - Administration and Clerk	28,262.00	30,457.85	17,417.69	13,040.16	57.19
228.000 - Information Technology	16,300.00	16,300.00	11,344.57	4,955.43	69.60
247.000 - Board of Review	6,104.00	6,074.00	565.16	5,508.84	9.30
253.000 - Treasurer	42,127.00	42,340.57	23,648.28	18,692.29	55.85

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
257.000 - Assessor	48,198.00	48,383.09	30,670.14	17,712.95	63.39
262.000 - Elections	39,358.40	39,012.68	24,061.33	14,951.35	61.68
266.000 - Legal Council	15,500.00	15,500.00	10,136.00	5,364.00	65.39
301.000 - Police Dept	0.00	7,850.60	8,475.59	(624.99)	107.96
301.851 - Retiree Employer Health Care PSFY	24,000.00	24,000.00	13,667.44	10,332.56	56.95
334.000 - Metro Police Authority	995,200.00	995,200.00	728,195.25	267,004.75	73.17
336.000 - Fire Department	178,200.00	186,322.00	157,934.64	28,387.36	84.76
345.000 - PUBLIC SAFETY BUILDING	51,632.26	51,632.26	25,333.44	26,298.82	49.07
410.000 - Building & Zoning & Planning	81,648.24	96,790.62	72,723.92	24,066.70	75.14
410.025 - 2017 CDBG 5157 Morrish Demo	375.00	375.00	0.00	375.00	0.00
448.000 - Lighting	140,000.00	140,000.00	52,784.51	87,215.49	37.70
463.000 - Routine Maint - Streets	0.00	0.00	15,850.18	(15,850.18)	100.00
781.000 - Facilities - Pajtas Amphitheat	2,217.98	2,217.98	770.20	1,447.78	34.73
782.000 - Facilities - Abrams Park	41,629.78	42,009.10	20,044.40	21,964.70	47.71
783.000 - Facilities - Elms Rd Park	62,552.39	63,315.45	37,191.97	26,123.48	58.74
783.016 - Elms Park Brm-Trail Reno RP15-0003	2,710.50	140.00	982.85	(842.85)	702.04
784.000 - Facilities - Bicentennial Park	1,527.00	1,527.00	1,138.47	388.53	74.56
786.000 - Non-Motorized Trailway	150,000.00	150,000.00	0.00	150,000.00	0.00
787.000 - Veterans Memorial Park	3,273.55	3,273.55	1,938.97	1,334.58	59.23
790.000 - Facilities-Senior Center/Libr	36,065.22	35,665.22	19,033.22	16,632.00	53.37
790.012 - CDBG Senior Center Operations	1,724.00	1,724.00	0.00	1,724.00	0.00
793.000 - Facilities - New City Hall	19,468.56	19,118.56	9,252.83	9,865.73	48.40
794.000 - Community Promotions Program	32,056.05	34,426.55	24,769.22	9,657.33	71.95
796.000 - Facilities - Cemetary	2,535.77	2,485.77	2,983.48	(497.71)	120.02

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
797.000 - Facilities - City Parking Lots	105,825.60	106,975.60	10,080.07	96,895.53	9.42
851.000 - Retired Employee Health Care	26,800.00	26,800.00	8,267.01	18,532.99	30.85
852.000 - Insurance Claims Assessmernt (Tax)	110.00	110.00	17.20	92.80	15.64
965.000 - Transfers Out	168,730.00	278,730.00	219,930.00	58,800.00	78.90
<b>TOTAL EXPENDITURES</b>	<b>2,492,102.30</b>	<b>2,639,400.45</b>	<b>1,655,581.13</b>	<b>983,819.32</b>	
<b>Fund 101 - General Fund:</b>					
TOTAL REVENUES	2,396,377.00	2,403,577.00	1,828,714.55	574,862.45	76.08
TOTAL EXPENDITURES	2,492,102.30	2,639,400.45	1,655,581.13	983,819.32	62.73
NET OF REVENUES & EXPENDITURES	(95,725.30)	(235,823.45)	173,133.42	(408,956.87)	
<b>Fund 202 - Major Street Fund</b>					
000.000 - General	419,300.00	419,300.00	231,746.83	187,553.17	55.27
441.000 - Miller Rd Park & Ride	5,200.00	5,200.00	3,410.46	1,789.54	65.59
449.500 - Right of Way - General	0.00	0.00	1,250.00	(1,250.00)	100.00
453.105 - Fairchild-Cappy to Miller TIP	230,601.00	230,601.00	19,463.83	211,137.17	8.44
463.000 - Routine Maint - Streets	0.00	0.00	287.50	(287.50)	100.00
478.000 - Snow & Ice Removal	500.00	500.00	2,314.44	(1,814.44)	462.89
<b>TOTAL REVENUES</b>	<b>655,601.00</b>	<b>655,601.00</b>	<b>258,473.06</b>	<b>397,127.94</b>	
228.000 - Information Technology	825.00	825.00	537.24	287.76	65.12
429.000 - Occupational Safety	26.91	26.91	0.00	26.91	0.00
441.000 - Miller Rd Park & Ride	6,787.80	6,787.80	3,525.15	3,262.65	51.93
449.500 - Right of Way - General	10,000.00	10,000.00	4,556.50	5,443.50	45.57
449.501 - Right of Way - Storms	200.00	15,920.00	0.00	15,920.00	0.00
453.105 - Fairchild-Cappy to Miller TIP	288,251.00	304,330.71	14,055.59	290,275.12	4.62
463.000 - Routine Maint - Streets	104,333.87	146,058.87	67,804.49	78,254.38	46.42
463.104 - Winston Drive Reconstruction	1,200.00	1,200.00	299.88	900.12	24.99

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
463.307 - Oakview - Seymour to Chelmsford	0.00	22,500.00	0.00	22,500.00	0.00
463.308 - Winstroon - Oakview to Chesterfield	0.00	5,000.00	0.00	5,000.00	0.00
473.000 - Routine Maint - Bridges	400.00	400.00	0.00	400.00	0.00
474.000 - Traffic Services	39,708.00	39,708.00	22,743.14	16,964.86	57.28
478.000 - Snow & Ice Removal	41,544.80	81,039.20	15,929.16	65,110.04	19.66
482.000 - Administrative	18,887.00	18,887.00	4,684.58	14,202.42	24.80
538.500 - Intercommunity storm drains	7,000.00	7,000.00	1,904.29	5,095.71	27.20
786.000 - Non-Motorized Trailway	20,000.00	20,000.00	0.00	20,000.00	0.00
965.000 - Transfers Out	85,000.00	85,000.00	85,000.00	0.00	100.00
<b>TOTAL EXPENDITURES</b>	<b>624,164.38</b>	<b>764,683.49</b>	<b>221,040.02</b>	<b>543,643.47</b>	
<b>Fund 202 - Major Street Fund:</b>					
TOTAL REVENUES	655,601.00	655,601.00	258,473.06	397,127.94	39.43
TOTAL EXPENDITURES	624,164.38	764,683.49	221,040.02	543,643.47	28.91
NET OF REVENUES & EXPENDITURES	31,436.62	(109,082.49)	37,433.04	(146,515.53)	
<b>Fund 203 - Local Street Fund</b>					
000.000 - General	133,125.00	133,125.00	95,133.31	37,991.69	71.46
449.000 - Right of Way Telecomm	15,000.00	15,000.00	0.00	15,000.00	0.00
449.500 - Right of Way - General	0.00	0.00	1,250.00	(1,250.00)	100.00
463.000 - Routine Maint - Streets	475.00	475.00	287.50	187.50	60.53
478.000 - Snow & Ice Removal	300.00	300.00	1,596.36	(1,296.36)	532.12
931.000 - Transfers IN	596,500.00	596,500.00	596,500.00	0.00	100.00
<b>TOTAL REVENUES</b>	<b>745,400.00</b>	<b>745,400.00</b>	<b>694,767.17</b>	<b>50,632.83</b>	
228.000 - Information Technology	825.00	825.00	537.25	287.75	65.12
429.000 - Occupational Safety	0.00	174.70	174.70	0.00	100.00
449.500 - Right of Way - General	8,800.00	15,558.84	14,758.84	800.00	94.86
449.501 - Right of Way - Storms	1,500.00	1,100.00	0.00	1,100.00	0.00

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
463.000 - Routine Maint - Streets	261,810.47	271,095.47	188,873.66	82,221.81	69.67
463.103 - Worcester/Chesterfield Reconstruction	0.00	0.00	4,312.78	(4,312.78)	100.00
463.105 - Daval Reconstruction	96,386.78	96,386.78	56,458.26	39,928.52	58.57
463.106 - Hemsley Reconstruction	0.00	63,635.00	16,258.25	47,376.75	25.55
463.107 - Chelmsford - Seymour to Oakview	0.00	19,790.00	0.00	19,790.00	0.00
463.108 - Oxford Court	0.00	10,000.00	0.00	10,000.00	0.00
474.000 - Traffic Services	8,990.20	13,385.54	13,348.15	37.39	99.72
478.000 - Snow & Ice Removal	50,206.02	72,335.85	11,590.87	60,744.98	16.02
482.000 - Administrative	19,538.64	18,801.08	4,436.35	14,364.73	23.60
538.500 - Intercommunity storm drains	6,800.00	5,070.45	1,904.29	3,166.16	37.56
<b>TOTAL EXPENDITURES</b>	<b>454,857.11</b>	<b>588,158.71</b>	<b>312,653.40</b>	<b>275,505.31</b>	
<b>Fund 203 - Local Street Fund:</b>					
TOTAL REVENUES	745,400.00	745,400.00	694,767.17	50,632.83	93.21
TOTAL EXPENDITURES	454,857.11	588,158.71	312,653.40	275,505.31	53.16
NET OF REVENUES & EXPENDITURES	290,542.89	157,241.29	382,113.77	(224,872.48)	
<b>Fund 204 - MUNICIPAL STREET FUND</b>					
000.000 - General	628,290.00	628,290.00	607,995.28	20,294.72	96.77
<b>TOTAL REVENUES</b>	<b>628,290.00</b>	<b>628,290.00</b>	<b>607,995.28</b>	<b>20,294.72</b>	
905.000 - Debt Service	164,444.40	164,444.40	14,843.03	149,601.37	9.03
965.000 - Transfers Out	462,000.00	462,000.00	461,500.00	500.00	99.89
<b>TOTAL EXPENDITURES</b>	<b>626,444.40</b>	<b>626,444.40</b>	<b>476,343.03</b>	<b>150,101.37</b>	
<b>Fund 204 - MUNICIPAL STREET FUND:</b>					
TOTAL REVENUES	628,290.00	628,290.00	607,995.28	20,294.72	96.77
TOTAL EXPENDITURES	626,444.40	626,444.40	476,343.03	150,101.37	76.04
NET OF REVENUES & EXPENDITURES	1,845.60	1,845.60	131,652.25	(129,806.65)	
<b>Fund 226 - Garbage Fund</b>					
000.000 - General	393,465.00	393,465.00	374,820.78	18,644.22	95.26

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
TOTAL REVENUES	393,465.00	393,465.00	374,820.78	18,644.22	
000.000 - General	10,373.00	10,373.00	0.00	10,373.00	0.00
101.000 - Council	5,865.88	5,865.88	2,404.38	3,461.50	40.99
172.000 - Executive	8,937.06	8,937.06	4,585.40	4,351.66	51.31
201.000 - Finance,Budgeting,Accounting	6,497.00	6,781.03	5,423.58	1,357.45	79.98
215.000 - Aministration and Clerk	4,587.00	4,801.76	2,509.61	2,292.15	52.26
228.000 - Information Technology	2,200.00	2,200.00	1,359.35	840.65	61.79
253.000 - Treasurer	7,993.00	8,044.19	4,418.83	3,625.36	54.93
257.000 - Assessor	3,000.00	2,805.97	0.00	2,805.97	0.00
528.000 - Sanitation Collection	282,905.90	282,394.36	165,744.13	116,650.23	58.69
530.000 - Wood Chipping	41,993.60	40,730.44	22,470.13	18,260.31	55.17
782.000 - Facilities - Abrams Park	3,366.80	4,875.00	4,856.88	18.12	99.63
783.000 - Facilities - Elms Rd Park	5,384.54	5,800.84	5,641.87	158.97	97.26
793.000 - Facilities - New City Hall	3,904.49	3,754.69	2,167.44	1,587.25	57.73
TOTAL EXPENDITURES	387,008.27	387,364.22	221,581.60	165,782.62	
Fund 226 - Garbage Fund:					
TOTAL REVENUES	393,465.00	393,465.00	374,820.78	18,644.22	95.26
TOTAL EXPENDITURES	387,008.27	387,364.22	221,581.60	165,782.62	57.20
NET OF REVENUES & EXPENDITURES	6,456.73	6,100.78	153,239.18	(147,138.40)	
Fund 248 - Downtown Development Fund					
000.000 - General	49,600.00	49,600.00	54,579.52	(4,979.52)	110.04
728.004 - Family Movie Night	1,000.00	1,000.00	500.00	500.00	50.00
TOTAL REVENUES	50,600.00	50,600.00	55,079.52	(4,479.52)	
173.000 - DDA Administration	3,365.00	3,365.00	2,507.95	857.05	74.53
728.000 - Economic Development	10,125.00	10,125.00	10,673.75	(548.75)	105.42
728.002 - Streetscape	101,200.00	101,200.00	19,840.00	81,360.00	19.60

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
728.003 - Facade Program	10,000.00	10,000.00	4,750.50	5,249.50	47.51
728.004 - Family Movie Night	3,900.00	3,900.00	2,329.00	1,571.00	59.72
TOTAL EXPENDITURES	128,590.00	128,590.00	40,101.20	88,488.80	
Fund 248 - Downtown Development Fund:					
TOTAL REVENUES	50,600.00	50,600.00	55,079.52	(4,479.52)	108.85
TOTAL EXPENDITURES	128,590.00	128,590.00	40,101.20	88,488.80	31.19
NET OF REVENUES & EXPENDITURES	(77,990.00)	(77,990.00)	14,978.32	(92,968.32)	
Fund 350 - City Hall Debt Fund					
000.000 - General	14.50	14.50	11.82	2.68	81.52
931.000 - Transfers IN	88,730.00	88,730.00	88,730.00	0.00	100.00
TOTAL REVENUES	88,744.50	88,744.50	88,741.82	2.68	
905.000 - Debt Service	89,480.00	89,480.00	7,240.00	82,240.00	8.09
TOTAL EXPENDITURES	89,480.00	89,480.00	7,240.00	82,240.00	
Fund 350 - City Hall Debt Fund:					
TOTAL REVENUES	88,744.50	88,744.50	88,741.82	2.68	100.00
TOTAL EXPENDITURES	89,480.00	89,480.00	7,240.00	82,240.00	8.09
NET OF REVENUES & EXPENDITURES	(735.50)	(735.50)	81,501.82	(82,237.32)	
Fund 402 - Fire Equip Replacement Fund					
000.000 - General	70.00	70.00	(226.88)	296.88	(324.11)
931.000 - Transfers IN	30,000.00	140,000.00	81,200.00	58,800.00	58.00
TOTAL REVENUES	30,070.00	140,070.00	80,973.12	59,096.88	
336.000 - Fire Department	0.00	250,000.00	191,187.48	58,812.52	76.47
TOTAL EXPENDITURES	0.00	250,000.00	191,187.48	58,812.52	
Fund 402 - Fire Equip Replacement Fund:					
TOTAL REVENUES	30,070.00	140,070.00	80,973.12	59,096.88	57.81
TOTAL EXPENDITURES	0.00	250,000.00	191,187.48	58,812.52	76.47
NET OF REVENUES & EXPENDITURES	30,070.00	(109,930.00)	(110,214.36)	284.36	
Fund 590 - Water Supply Fund					
000.000 - General	1,100.00	1,100.00	(2,205.21)	3,305.21	(200.47)

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
540.000 - Water System	2,164,550.00	2,164,550.00	1,017,692.77	1,146,857.23	47.02
TOTAL REVENUES	2,165,650.00	2,165,650.00	1,015,487.56	1,150,162.44	
000.000 - General	71,858.10	71,858.10	0.00	71,858.10	0.00
101.000 - Council	8,736.44	8,736.44	6,055.45	2,680.99	69.31
172.000 - Executive	28,347.05	28,649.55	17,055.76	11,593.79	59.53
201.000 - Finance,Budgeting,Accounting	20,581.00	20,581.00	16,090.54	4,490.46	78.18
215.000 - Aministration and Clerk	17,209.00	18,439.23	9,916.51	8,522.72	53.78
228.000 - Information Technology	6,855.00	6,855.00	3,899.88	2,955.12	56.89
253.000 - Treasurer	28,629.00	28,751.38	16,888.03	11,863.35	58.74
540.000 - Water System	1,974,615.10	1,974,615.10	1,092,433.83	882,181.27	55.32
542.000 - Read and Bill	53,243.20	53,243.20	27,753.78	25,489.42	52.13
543.230 - Water Main Repair USDA Grant	0.00	215,918.00	84,679.00	131,239.00	39.22
793.000 - Facilities - New City Hall	9,588.51	9,588.51	5,403.07	4,185.44	56.35
850.000 - Other Functions	12,000.00	12,000.00	0.00	12,000.00	0.00
905.000 - Debt Service	49,115.60	49,115.60	4,433.63	44,681.97	9.03
TOTAL EXPENDITURES	2,280,778.00	2,498,351.11	1,284,609.48	1,213,741.63	
Fund 590 - Water Supply Fund:					
TOTAL REVENUES	2,165,650.00	2,165,650.00	1,015,487.56	1,150,162.44	46.89
TOTAL EXPENDITURES	2,280,778.00	2,498,351.11	1,284,609.48	1,213,741.63	51.42
NET OF REVENUES & EXPENDITURES	(115,128.00)	(332,701.11)	(269,121.92)	(63,579.19)	
Fund 591 - Sanitary Sewer Fund					
000.000 - General	1,080.00	1,080.00	(73.31)	1,153.31	(6.79)
536.000 - Sewer System	1,287,485.00	1,287,485.00	610,714.93	676,770.07	47.43
TOTAL REVENUES	1,288,565.00	1,288,565.00	610,641.62	677,923.38	
000.000 - General	23,582.50	23,582.50	0.00	23,582.50	0.00
101.000 - Council	8,336.44	8,336.44	6,055.40	2,281.04	72.64



GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
172.000 - Executive	29,315.89	29,013.39	16,940.77	12,072.62	58.39
201.000 - Finance,Budgeting,Accounting	19,646.00	19,646.00	16,090.07	3,555.93	81.90
215.000 - Aministration and Clerk	15,744.00	16,954.23	9,912.71	7,041.52	58.47
228.000 - Information Technology	6,900.00	6,900.00	3,899.88	3,000.12	56.52
253.000 - Treasurer	29,730.00	29,857.44	16,888.86	12,968.58	56.56
536.000 - Sewer System	950,565.12	952,784.42	225,693.63	727,090.79	23.69
537.000 - Sewer Lift Stations	14,257.20	14,022.90	7,686.44	6,336.46	54.81
542.000 - Read and Bill	59,561.04	58,836.04	34,165.17	24,670.87	58.07
543.401 - Flush & TV Sewers	30,904.00	30,054.00	0.00	30,054.00	0.00
543.408 - Sewer Rehab Phase 8	220,000.00	220,000.00	0.00	220,000.00	0.00
793.000 - Facilities - New City Hall	10,861.55	10,451.55	5,391.95	5,059.60	51.59
850.000 - Other Functions	10,000.00	10,000.00	0.00	10,000.00	0.00
TOTAL EXPENDITURES	1,429,403.74	1,430,438.91	342,724.88	1,087,714.03	
Fund 591 - Sanitary Sewer Fund:					
TOTAL REVENUES	1,288,565.00	1,288,565.00	610,641.62	677,923.38	47.39
TOTAL EXPENDITURES	1,429,403.74	1,430,438.91	342,724.88	1,087,714.03	23.96
NET OF REVENUES & EXPENDITURES	(140,838.74)	(141,873.91)	267,916.74	(409,790.65)	
Fund 661 - Motor Pool Fund					
000.000 - General	161,750.00	158,200.00	69,269.18	88,930.82	43.79
TOTAL REVENUES	161,750.00	158,200.00	69,269.18	88,930.82	
172.000 - Executive	11,424.12	11,424.12	9,409.30	2,014.82	82.36
201.000 - Finance,Budgeting,Accounting	7,602.00	7,602.00	4,343.92	3,258.08	57.14
228.000 - Information Technology	865.00	865.00	661.65	203.35	76.49
795.000 - Facilities - City Garage	153,877.11	150,327.11	95,580.98	54,746.13	63.58
TOTAL EXPENDITURES	173,768.23	170,218.23	109,995.85	60,222.38	

GL NUMBER	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGET	YTD BALANCE 01/31/2019	AVAILABLE BALANCE	% BDGT USED
Fund 661 - Motor Pool Fund:					
TOTAL REVENUES	161,750.00	158,200.00	69,269.18	88,930.82	43.79
TOTAL EXPENDITURES	173,768.23	170,218.23	109,995.85	60,222.38	64.62
NET OF REVENUES & EXPENDITURES	(12,018.23)	(12,018.23)	(40,726.67)	28,708.44	
Fund 865 - Sidewalks					
478.000 - Snow & Ice Removal	1,400.00	1,400.00	0.00	1,400.00	0.00
TOTAL REVENUES	1,400.00	1,400.00	0.00	1,400.00	
478.000 - Snow & Ice Removal	1,950.00	1,950.00	0.00	1,950.00	0.00
TOTAL EXPENDITURES	1,950.00	1,950.00	0.00	1,950.00	
Fund 865 - Sidewalks:					
TOTAL REVENUES	1,400.00	1,400.00	0.00	1,400.00	0.00
TOTAL EXPENDITURES	1,950.00	1,950.00	0.00	1,950.00	0.00
NET OF REVENUES & EXPENDITURES	(550.00)	(550.00)	0.00	(550.00)	0.00
Fund 866 - Weed Fund					
000.000 - General	7,000.00	7,000.00	4,050.00	2,950.00	57.86
TOTAL REVENUES	7,000.00	7,000.00	4,050.00	2,950.00	
000.000 - General	1,000.00	1,000.00	1,125.00	(125.00)	112.50
TOTAL EXPENDITURES	1,000.00	1,000.00	1,125.00	(125.00)	
Fund 866 - Weed Fund:					
TOTAL REVENUES	7,000.00	7,000.00	4,050.00	2,950.00	57.86
TOTAL EXPENDITURES	1,000.00	1,000.00	1,125.00	(125.00)	112.50
NET OF REVENUES & EXPENDITURES	6,000.00	6,000.00	2,925.00	3,075.00	

# Metro Police Authority Offense Summary

## For Swartz Creek

Occurred 1/1/2019 - 1/31/2019

Offense	Total Offenses
1306 - 13002 - Aggravated/Felonious Assault - Non-Family - Strong Arm	1
1316 - 13003 - Intimidation	1
1380 - 13003 - Telephone Used for Harassment, Threats	1
2399 - 23007 - Larceny (Other)	2
2901 - 29000 - Damage to Property - Business Property	1
2902 - 29000 - Damage to Property - Private Property	1
2903 - 29000 - Damage to Property - Public Property	1
3081 - 30004 - Organized Retail Fraud - Knowingly Committing an Organized Retail Crime	1
5006 - 50000 - Obstructing Justice	1
5015 - 50000 - Failure to Appear	1
8273 - 54003 - Traffic - Driving on Susp/Revoked/Refused License	5
9910 - 93001 - Traffic, Non-Criminal - Accident	10
9911 - 93002 - Traffic, Non-Criminal - Non-Traffic Accident	2
9953 - 99008 - Miscellaneous - General Assistance	1
<b>Total</b>	<b>29</b>