

MEMORANDUM OF UNDERSTANDING
BETWEEN
MICHIGAN DEPARTMENT OF TRANSPORTATION
AND
CITY OF ROCHESTER HILLS

I. PURPOSE

This Memorandum of Understanding (MOU) is entered into this date of _____ between the Michigan Department of Transportation (MDOT) and the City of Rochester Hills (CITY) for the purpose of transferring jurisdiction of the road segment described in Attachment A, dated March 29, 2018, from MDOT to the CITY (ROAD SEGMENT). This MOU will begin upon award and will remain in effect unless it is modified according to Section V below.

II. BACKGROUND

The ROAD SEGMENT is within the CITY boundaries and is no longer functioning as a State Trunkline. MDOT is willing to transfer jurisdictional control of the ROAD SEGMENT to the CITY and the CITY is willing to accept jurisdiction of the ROAD SEGMENT. This transfer of jurisdictional control of the ROAD SEGMENT will make this ROAD SEGMENT a City Major street.

The parties intend this MOU to be an agreement to transfer jurisdiction of the ROAD SEGMENT in return for a fixed lump sum amount of state funds as provided herein, which will be utilized by the CITY for the construction of improvements to the ROAD SEGMENT. The improvements will be for the renovation, repair and/or reconstruction of the ROAD SEGMENT and will meet or exceed the standard represented by the work items set forth in Attachment B, dated March 29, 2018 (PROJECT).

MDOT and the Road Commission of Oakland County currently have in force a Trunkline Maintenance Contract for portions of state trunkline located within the CITY boundaries.

III. AGREEMENT

Upon award and acceptance of this MOU by both parties, the parties agree to the following:

A. MDOT agrees:

1. To transfer jurisdictional control of the ROAD SEGMENT to the CITY and the CITY agrees to accept jurisdictional control of the ROAD SEGMENT, thereby making this ROAD SEGMENT a City Major Street.
2. To pay the amount of One Million Two Hundred Thirty Thousand Three Hundred Ninety-Eight Dollars and Thirty-Two Cents (\$1,230,398.32) to the CITY, such amount being the estimated cost of the PROJECT. Pursuant to Act 296, Public Acts of 1969, Section 8 (3) (a), this payment is made to the CITY so that the PROJECT will be undertaken by the CITY in lieu of being undertaken by MDOT. This payment will be disbursed to the CITY upon completion of any final administrative approvals necessary to authorize the release of funding and no later than 90 days after the award date of this MOU.
3. To pursue modification of the current Trunkline Maintenance Contract with the Road Commission of Oakland County to reflect this MOU.

B. The CITY agrees:

1. To assume full jurisdictional control of the ROAD SEGMENT.
2. To perform maintenance of the ROAD SEGMENT for which jurisdictional control has been transferred to the CITY by this MOU.
3. To perform the PROJECT work, meeting or exceeding the standards represented by the work items set forth in Attachment B, dated March 29, 2018.
4. To complete the PROJECT for the indicated cost of One Million Two Hundred Thirty Thousand Three Hundred Ninety-Eight Dollars and Thirty-Two Cents (\$1,230,398.32). The CITY will be responsible for all costs in excess of the MDOT funds as shown in Section III, Part A, subpart 2. Nothing in this MOU will prevent the CITY from raising the standard of

renovation, repair, and/or reconstruction represented by the PROJECT, so long as the minimum standard represented herein is met.

The CITY agrees that the costs incurred under this MOU will represent only those items that are properly chargeable in accordance with this MOU. The CITY also certifies that it has read the MOU terms and has made itself aware of the applicable laws, regulations, and terms of this MOU that apply to the incurring of costs under the terms of this MOU.

Allowable costs for PROJECT work include expenses incurred directly and indirectly for contracted construction, including the costs of advertising, letting, and awarding contract(s).

5. To expend any excess funds that remain from the amount set forth in Section III, Part A, subpart 2, in accordance with the requirements of Act 51, Public Acts of 1951, Section 13, as amended.
6. To conduct and obtain at CITY expense any environmental reviews and clearances required by state or federal law for any work which exceeds the standard of renovation, repair, and/or reconstruction represented by the PROJECT.
7. That, if for any reason the PROJECT is not completed within five (5) years of the effective date of this MOU, the CITY will promptly repay MDOT the total amount of funds set forth in Section III, Part A, subpart 2. Such repayment will have no effect on MDOT's obligations or the transfer of jurisdiction of the ROAD SEGMENT as set forth herein.
8. Upon completion of the PROJECT, to notify MDOT in writing of such PROJECT completion and include a statement of costs incurred.
9. With regard to audits and record-keeping,
 - a. The CITY will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this MOU (RECORDS). Separate accounts will be established and maintained for all costs incurred under this MOU.
 - b. The CITY will maintain the RECORDS for at least three (3) years from the date of PROJECT completion, as set forth in Section III, Part A, paragraph 2, of this MOU. In the event of a dispute with regard to the allowable expenses or any other issue under this MOU, the CITY will 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. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.
 - d. If any part of the work is subcontracted, the CITY will assure compliance with subsections (a), (b), and (c) above for all subcontracted work.
10. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this MOU or questions the allowability of an item of expense, MDOT will promptly submit to the CITY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the CITY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the CITY will (a) respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the CITY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the MOU. The CITY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the CITY, the CITY will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If The CITY fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the CITY agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the CITY under this MOU or any other agreement or payable

to the CITY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The CITY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the CITY in a timely filed RESPONSE.

- C. Unless otherwise addressed by this MOU, both parties agree that the transfer of jurisdictional control of the ROAD SEGMENT from MDOT to the CITY will include the transfer of utility, operational, and drainage permits, whether recorded or otherwise; all bridges, culverts, signs, signals, and/or other structures or traffic control devices; and any and all features and appurtenances now existing for highway purposes on and along the ROAD SEGMENT.
- D. The parties agree that this jurisdictional transfer is subject to the provisions of Act 296, Public Acts of 1969, Section 2

IV TERM

This MOU shall take effect upon award and remain in effect unless it is modified according to Section V below.

V. MODIFICATION

This MOU may be modified, in writing, upon mutual agreement by the parties. Any modification must be signed by the authorized representative of each agency or his/her designee.

VI. SIGNATURE

This MOU is entered into upon signing by the duly authorized officials for the CITY and for MDOT.

CITY OF ROCHESTER HILLS

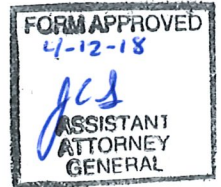
Title:

Date

MICHIGAN DEPARTMENT OF TRANSPORTATION

Title: Director
Michigan Department of Transportation

Date

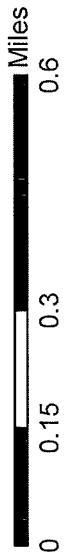
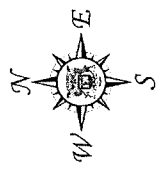
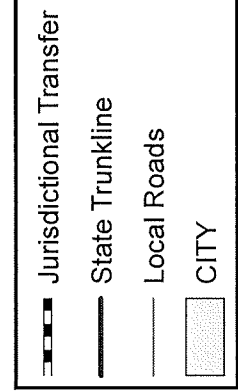
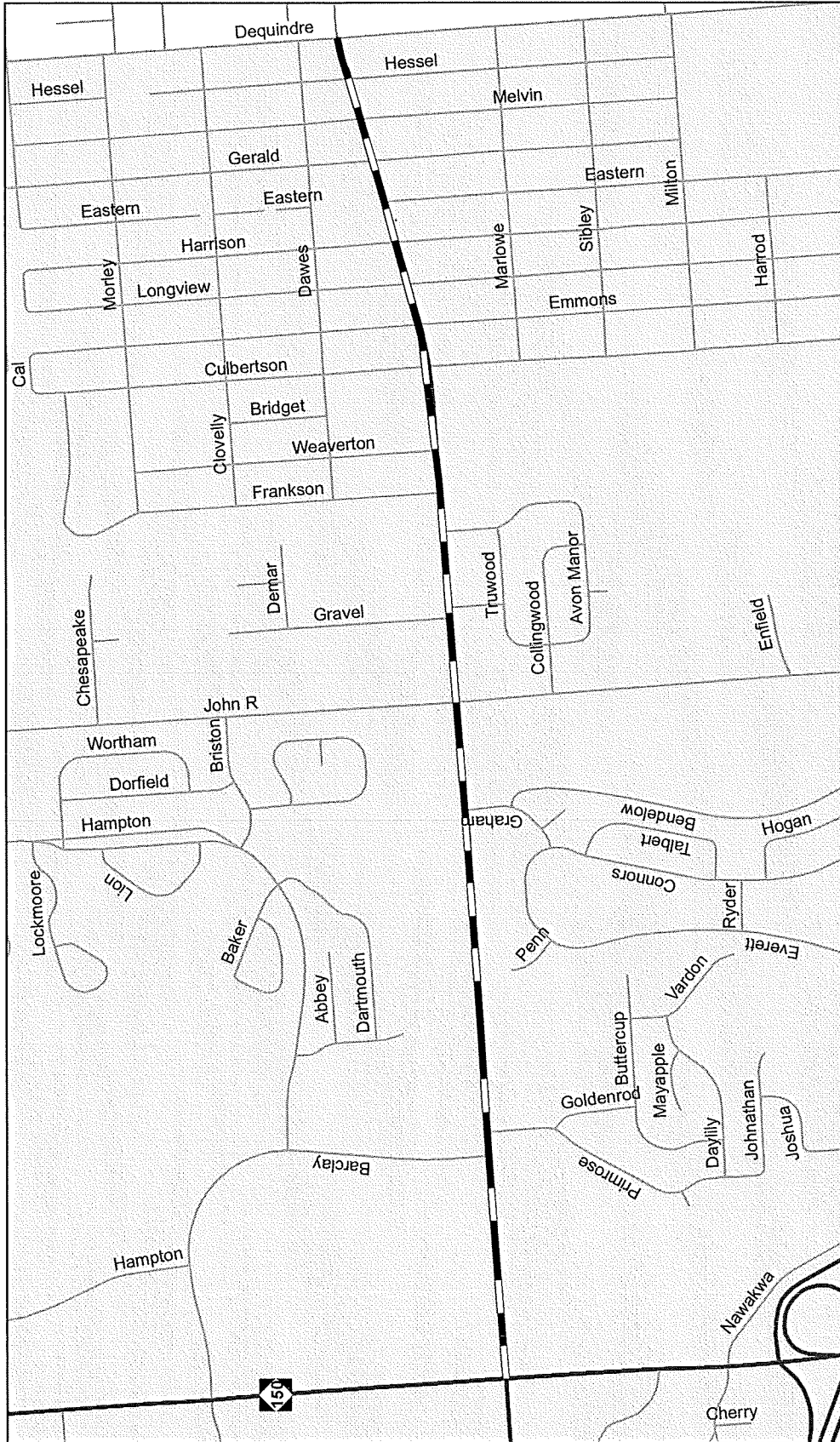


ATTACHMENT A
March 29, 2018

ROAD SEGMENT proposed for jurisdictional transfer from MDOT to the City of Rochester Hills, to become a city major street:

Auburn Road (Old M-59), from Rochester Road (M-150) east to Dequindre Road, a distance of approximately 2.03 miles in Control Section 63042.

Jurisdictional Transfer from MDOT to the City of Rochester Hills



Data Inventory and Integration Division

ATTACHMENT B

March 29, 2018

The following work items represent the minimum standard for the renovation, repair and/or reconstruction work to be performed the roadway segment described in Attachment A. Alternate work items and/or quantities are permitted so long as the minimum standard represented herein is achieved and design guidelines are applied according to the MDOT publication, "Local Agency Programs Guidelines for Geometrics on Local Agency Projects" dated 2014 or most current.



Preliminary Project Detail Estimate - Detail Cost Estimate Report v1

Project ID: OaklandEst Federal Project Number:

Project Description: Oakland Estimate Auburn Road

List of Items

Line Num	Ref ID	Description	Alt. Set	Alt. Member	Units	Quantity	Price	Ext. Amount	Fund Package ID	Flags*
Category ID: 0Log										
0010	1500001	Mobilization, Max			LSUM	1,000	100,000.00000	100,000.00		L B
0020	8127051	_ MOT Lump sum			LSUM	1,000	100,000.00000	100,000.00		L B
0030	2040020	Curb and Gutter, Rem			Ft	1,500.000	13.00000	19,500.00		L
0040	2040050	Pavt, Rem			Syd	3,275.000	10.00000	32,750.00		L
0050	2080020	Erosion Control, Inlet Protection, Fabric Drop			Ea	20.000	90.00000	1,800.00		L
Alternate Set:										
0060	3020001	Aggregate Base			Ton	885.000	18.00000	15,930.00		L
0070	4030005	Dr Structure Cover, Adj, Case 1			Ea	12.000	600.00000	7,200.00		L
0080	5010002	Cold Milling HMA Surface			Syd	65,488.000	2.00000	130,976.00		L
0090	5010020	Pavt Joint and Crack Repr, Det 7			Ft	3,000.000	9.00000	27,000.00		L
0100	5010021	Pavt Joint and Crack Repr, Det 8			Ft	3,000.000	10.00000	30,000.00		L
0110	5010025	Hand Patching			Ton	450.000	100.00000	45,000.00		L
0120	5010045	HMA, 3E3			Ton	901.000	75.00000	67,575.00		L
0130	5010051	HMA, 4E3			Ton	361.000	94.04000	33,948.44		L
0140	5010057	HMA, 5E3			Ton	7,204.000	79.00000	569,116.00		L
0150	8020038	Curb and Gutter, Conc, Det F4			Ft	1,500.000	19.00000	28,500.00		L



Preliminary Project Detail Estimate - Detail Cost Estimate Report v1

Project ID: OaklandEst Federal Project Number:

Project Description: Oakland Estimate Auburn Road

List of Items

Line Num	Ref ID	Description	Alt. Set	Alt. Member	Units	Quantity	Price	Ext. Amount	Fund Package ID	Flags*
0160	8110024	Pavt Mrkg, Ovly Cold Plastic, 6 inch, Crosswalk			Ft	2,136.000	2.50000	5,340.00		L
0170	8110045	Pavt Mrkg, Ovly Cold Plastic, 24 inch, Stop Bar			Ft	246.000	11.00000	2,706.00		L
0180	8110153	Pavt Mrkg, Sprayable Thermopl, 4 inch, White			Ft	15,668.000	0.30000	4,700.40		L
0190	8110154	Pavt Mrkg, Sprayable Thermopl, 4 inch, Yellow			Ft	18,992.000	0.44000	8,356.48		L

Category Total: \$1,230,398.32

OaklandEst Estimate Total: \$1,230,398.32

* Flags: (F)ixed Price, (N)on Bid, (L)ow Cost Contributor, (B)id as Lump Sum