

February 26, 2019

The regular meeting of the Otsego County Board of Commissioners was held in Room 100 of 225 West Main Street, Gaylord, Michigan. The meeting was called to order at 9:30 a.m. by Chairman Ken Borton. Invocation by Commissioner Julie Powers, followed by the Pledge of Allegiance led by Commissioner Ken Glasser.

Roll Call:

Present: Julie Powers, Henry Mason, Paul Liss, Duane Switalski, Rob Pallarito, Ken Glasser, Doug Johnson, Ken Borton, Bruce Brown.

Consent Agenda:

Motion by Commissioner Julie Powers, seconded by Commissioner Paul Liss, to approve the Regular minutes of February 12, 2019 with attachments. Ayes: Unanimous. Motion carried.

Motion by Commissioner Julie Powers, seconded by Commissioner Paul Liss, to approve Martha Baril to the Library board for a partial term vacancy until 8-31-2022. Ayes: Unanimous. Motion carried.

Committee Report:

Motion by Commissioner Ken Glasser, seconded by Commissioner Paul Liss, to approve the contract with C2AE for \$30,000 for the Trail Extension project. Ayes: Julie Powers, Paul Liss, Duane Switalski, Rob Pallarito, Ken Glasser, Doug Johnson, Ken Borton, Bruce Brown. Nays: Henry Mason. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Doug Johnson, to approve contracting with M&M Excavating for an amount not to exceed \$170,000 for the Trail Extension project, and to authorize the Administrator to sign the contract. Ayes: Julie Powers, Paul Liss, Duane Switalski, Rob Pallarito, Ken Glasser, Doug Johnson, Ken Borton, Bruce Brown. Nays: Henry Mason. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Rob Pallarito, to approve the nine budget amendments as presented in the agenda packet for 2018 and 2019. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Doug Johnson, to approve the 2019 budget amendment for the Groen Ranger Station and Hetherton Entrance Projects. Ayes: Julie Powers, Paul Liss, Duane Switalski, Rob Pallarito, Ken Glasser, Doug Johnson, Ken Borton, Bruce Brown. Nays: None. Abstained: Henry Mason. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Rob Pallarito, to approve the two uniform accounting guidance policies. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Ken Glasser, seconded by Commissioner Duane Switalski, to enter into a 4-year contract with Emmet County for Recycling Services at an all-inclusive, not to exceed, annual cost-cap of \$215,000 in year 1, 223,600 in year 2, \$232, 544 in year 3, and \$241,845 in year 4. These costs include hauling, processing, and bin rental. Commissioner Duane Switalski rescinded his support. Motion failed. Refer to legal counsel.

Motion by Commissioner Ken Glasser, seconded by Commissioner Rob Pallarito, to approve the purchase of two more Chevy Tahoe's from Berger Chevrolet totaling \$72,734, and outfitting for all four new patrol vehicles, totaling \$48,000, funded with equipment fund dollars. Ayes: Unanimous. Motion carried. (see attached)

Administrator's Report:

Rachel Frisch reported working on an updated community wide survey, plans to complete the document in the summer and distribute in the fall; Royal Crest update, County is taking up security of the building; attended Governing Advisory meeting at the University Center; MAC Conference March 25th-27th; Board of Commissioner's meeting March 28th; joined MAC Government finance Committee; attended a regional pathology facility preliminary meeting; update on the trail head, pavilion building next to subway, funding design complete waiting for funding approval then send out for bid.

Correspondence: None.

New Business:

Motion by Commissioner Bruce Brown, seconded by Commissioner Paul Liss, to approve the February 19, 2019 Warrant in the amount of \$166,394.22. Ayes: Unanimous. Motion carried.

Motion by Commissioner Henry Mason, seconded by Commissioner Paul Liss, to approve the February 20, 2019 Warrant in the amount of \$500.00. Ayes: Unanimous. Motion carried.

Motion by Commissioner Doug Johnson, seconded by Commissioner Julie Powers, to approve the February 26, 2019 Warrant in the amount of \$145,426.57. Ayes: Unanimous. Motion carried.

Chairman Ken Borton opened up the meeting for public comment.

Board Remarks:

Commissioner Rob Pallarito had no report.

Commissioner Ken Glasser attended the Road Commission meeting; attended the Library Board meeting; attended Camp Grayling Community Council meeting.

Commissioner Bruce Brown had no report.

Commissioner Paul Liss had no report.

Commissioner Duane Switalski attended the Charlton and Chester Township meetings, both starting the process to opt out of recreational marijuana.

Commissioner Julie Powers had no report.

Commissioner Henry Mason attended the Fair Board meeting.

Commissioner Doug Johnson attended the Parks and Recreational meeting, posting for seasonal jobs; upgrade electric at the County park, camping fees; received a grant for Irontone Springs for a trail; grooming for ski and snowshoeing at the Groen Nature Preserve; attended the Commissioner on Aging meeting.

Commissioner Ken Borton received a call from Senator Stamas after Otsego County was declared State of Emergency asking if we needed any help from the State; attending National Association of Counties conference in Washington on 3-1-19; Pure Michigan snowmobile advertisement.

Meeting adjourned at 10:28 a.m.

Kenneth C. Borton, Chairman

Susan I. DeFeyter, Otsego County Clerk



123 W. Main St. Suite 200
Gaylord, MI 49735
O: 989.732.8131
www.c2ae.com

January 16, 2019

Ms. Rachel Frisch, Administrator
Otsego County
225 West Main Street, Room 203
Gaylord, MI 49735

**Re: Amendment to Proposal for Professional Services: Design and Construction Engineering Services
Otsego County – Iron Belle Trail**

Dear Rachel:

Congratulations to Otsego County on the success of your recent Iron Belle Trail grant funding application (\$200,000) for the extension of the trail from Passenheim Road south to the Otsego County line (Bradford Road), a distance of 1.3 miles. C2AE is pleased to have assisted with this grant application.

This is an Amendment to the original agreement for Design and Construction Engineering services dated February 14, 2017. The Scope of Services to be provided under this amendment are the same as for the original agreement, which will include design, bidding and construction phase services specific to the trail extension. The trail extension will be similar in nature to the existing trail under construction, and will be located within the dedicated portion of the railroad right of way.

The project will continue to involve and require coordination with the MDNR, MDOT Office of Rail and Lake State Railroad. The anticipated cost for the trail extension is approximately \$170,000, and will be somewhat dependent on whether the project can be an extension of the existing construction contract either through MDOT, Otsego County, or will require rebidding.

C2AE proposes the following fees to provide engineering services as follows:

Design Phase Services	\$15,000 Lump Sum
Bidding or Negotiating Services	\$1,500 Lump Sum
Construction Engineering Fee	<u>\$13,500 Estimated, Time and Materials</u>
Total Amendment Amount	\$30,000

Note that the construction phase services are on a time and material basis, and will only be billed as needed. There is still remaining budget in the original contract that may cover the construction phase services, but that won't be determined until the completion of construction.

It is the intent to have the design and bidding/negotiating phases completed such that the trail extension work can be completed by late spring/early summer of 2019 along with the current construction.

Please do not hesitate to contact us should you have any questions or concerns, or if you need additional information.

Sincerely,

C2AE



Larry M. Fox, PE
Project Manager

Accepted by: Otsego County

Rachel Frisch, County Administrator

Date

The parties to this agreement, Capital Consultants, Inc., a Michigan Corporation doing business as C2AE in the State of Michigan, hereinafter called the A|E CONSULTANT and the County of Otsego, Michigan, hereinafter called the OWNER, hereby agree to the following conditions:

- A. Limit of Scope: The services provided by the A|E CONSULTANT shall be limited to those described in the Scope of Services.
- B. Changed Conditions: If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the A|E CONSULTANT are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, the A|E CONSULTANT may call for renegotiation of appropriate portions of this Agreement. The A|E CONSULTANT shall notify the OWNER of the changed conditions necessitating renegotiation, and the A|E CONSULTANT and the OWNER shall promptly and in good faith enter into renegotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.
- C. Additional Services: Additional services not specifically identified in the Scope of Services shall be paid for by the OWNER in addition to the fees previously stated, provided the OWNER authorizes such services in writing. Additional services will be billed monthly as work progresses and invoices are due upon receipt.
- D. Standard of Care: In providing services under this Agreement, the A|E CONSULTANT will endeavor to perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. Upon notice to the A|E CONSULTANT and by mutual agreement between the parties, the A|E CONSULTANT will without additional compensation, correct those services not meeting such a standard.
- E. ADA Compliance: The Americans with Disabilities Act (ADA) provides that alterations to a facility must be made in such a manner that, to the maximum extent feasible, the altered portions of the facility are readily accessible to persons with disabilities. The OWNER acknowledges that the requirement of the ADA will be subject to various and possibly contradictory interpretations. The A|E CONSULTANT, therefore, will use its reasonable professional efforts and judgment to interpret applicable ADA requirements and other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the project. The A|E CONSULTANT, however, cannot and does not warrant or guarantee that the OWNER's project will comply with all interpretations of the ADA requirements and/or the requirements of other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the project.
- F. Code Compliance: The A|E CONSULTANT shall put forth reasonable professional efforts to comply with applicable laws, codes and regulations in effect as of the date of submission to building authorities. Design changes made necessary by newly enacted laws, codes and regulations after this date shall entitle the A|E CONSULTANT to a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provision of this Agreement.
- G. Permits and Approvals: The A|E CONSULTANT shall assist the OWNER in applying for those permits and approvals normally required by law for projects similar to the one for which the A|E CONSULTANT's services are being engaged. This assistance shall consist of completing and submitting forms to the appropriate regulatory agencies having jurisdiction over the construction documents, and other services normally provided by the A|E CONSULTANT and included in the scope of Basic Services of this Agreement.
- H. Opinions of Probable Construction Cost: In providing opinions of probable construction cost, the OWNER understands that the A|E CONSULTANT has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the A|E CONSULTANT's opinions of probable construction costs are made on the basis of the A|E CONSULTANT's professional judgment and experience. The A|E CONSULTANT makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from the A|E CONSULTANT's opinion of probable construction cost.

- I. Schedule for Rendering Services: The A|E CONSULTANT shall prepare and submit for OWNER approval a schedule for the performance of the A|E CONSULTANT's services. This schedule shall include reasonable allowances for review and approval times required by the OWNER, performance of services by the OWNER's consultants, and review and approval times required by public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by the OWNER, or for delays or other causes beyond the A|E CONSULTANT's reasonable control.
- J. Ownership of Reports, Drawings and Other Materials: The OWNER agrees that all reports, drawings, letters, work sheets, plans, preliminary material tables, supportive data, documents and other materials produced by the A|E CONSULTANT in the course of and for the purpose of meeting this contract are the property of the A|E CONSULTANT, and shall remain in the possession of the A|E CONSULTANT. The OWNER shall have access to the above named material during normal business hours of the A|E CONSULTANT during and after completion of this contract. The OWNER may obtain copies of any of the above named material. Copies of electronic media may be obtained by the OWNER. (See Alteration and Reuse of CAD Information provision of this Agreement.)
- K. Alteration and Reuse of CAD Information: Because computer aided design/drafting (CAD) information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, the A|E CONSULTANT reserves the right to remove all indications of its ownership and/or involvement in the material from each electronic medium not held in its possession. The OWNER may retain copies of the work performed by the A|E CONSULTANT in CAD form. Copies shall be for information and used by the OWNER for the specific purpose for which the A|E CONSULTANT was engaged. Said material shall not be used by the OWNER, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended without the A|E CONSULTANT's express written permission. Any unauthorized modification or reuse of the materials shall be at the OWNER's sole risk, and the OWNER agrees to defend, indemnify, and hold the A|E CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorneys fees arising out of the unauthorized modification of these materials.
- L. Record Documents: Upon completion of the work, the A|E CONSULTANT shall compile for and deliver to the OWNER a reproducible set of Record Documents based upon the marked-up record drawings, addenda, change orders and other data furnished by the Contractor. These Record Documents will show significant changes made during construction. Because these Record Documents are based on unverified information provided by other parties, which the A|E CONSULTANT shall assume will be reliable, the A|E CONSULTANT cannot and does not warrant their accuracy.
- M. Payment Terms: Invoices will be submitted by the A|E CONSULTANT monthly, are due upon receipt and shall be considered past due if not paid within thirty (30) calendar days of the due date.
- N. Disputed Invoices: If the OWNER objects to any portion of an invoice, the OWNER shall so notify the A|E CONSULTANT in writing within ten (10) calendar days of receipt of the invoice. The OWNER shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after receipt of invoice by direct negotiation between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) shall be paid by the OWNER on all disputed invoice amounts that are subsequently resolved in the A|E CONSULTANT's favor and shall be calculated on the unpaid balance from the due date of the invoice.
- O. Abandonment of Work: If any work is abandoned or suspended, the A|E CONSULTANT shall be paid for services performed prior to receipt of written notice from the OWNER of abandonment or suspension.
- P. Errors and Omissions Insurance: The A|E CONSULTANT maintains an errors and omissions insurance policy as part of normal business practice. The OWNER agrees to limit the A|E CONSULTANT's liability to the OWNER and to all Construction

Contractors and Subcontractors on the project due to the A|E CONSULTANT's negligent acts, errors, or omissions, such that the total aggregate liability of the A|E CONSULTANT to all those named shall not exceed \$406,000.

Q. Betterment: If, due to the A|E CONSULTANT's negligence, a required item or component of the project is omitted from the A|E CONSULTANT's construction documents, the A|E CONSULTANT shall not be responsible for paying the cost required to add such item or component to the extent that such item or component would have been required and included in the original construction documents. In no event will the A|E CONSULTANT be responsible for any cost or expense that provides betterment or upgrades or enhances the value of the project.

R. Indemnification: The A|E CONSULTANT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the OWNER, its officers, directors and employees (collectively, OWNER) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the A|E CONSULTANT's negligent performance of professional services under this Agreement and that of its subconsultants or anyone for whom the A|E CONSULTANT is legally liable.

The OWNER agrees, to the fullest extent permitted by law, to indemnify and hold harmless the A|E CONSULTANT, its officers, directors, employees and subconsultants (collectively, A|E CONSULTANT) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the OWNER's negligent acts in connection with the project and the acts of its contractors, subcontractors or consultants or anyone for whom the OWNER is legally liable.

Neither the OWNER nor the A|E CONSULTANT shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

S. Consequential Damages: Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the OWNER nor the A|E CONSULTANT, their respective officers, directors, partners, employees, contractors or subconsultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both the OWNER and the A|E CONSULTANT shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

T. Full-Time Construction Observation: The A|E CONSULTANT will provide full-time project representation in order to observe the progress and quality of the work completed by the Contractor. Such observation is not intended to be an exhaustive check or a detailed inspection of the Contractor's work but rather is to allow the A|E CONSULTANT, as an experienced professional, to become generally familiar with the work in progress and to determine, in general, if the work is proceeding in accordance with the Contract Documents.

The A|E CONSULTANT shall keep the OWNER informed about the progress of the work and shall endeavor to guard the OWNER against deficiencies in the work.

The A|E CONSULTANT shall not supervise, direct or have control over the Contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor in accordance with the Contract Documents.

The A|E CONSULTANT shall not be responsible for any acts or omissions of the Contractor, subcontractor, any entity performing any portions of the work, or any agents or employees of any of them. The A|E CONSULTANT does not guarantee

the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its work in accordance with the Contract Documents or any applicable laws, codes, rules or regulations.

- U. Jobsite Safety: Neither the professional activities of the A|E CONSULTANT, nor the presence of the A|E CONSULTANT or its employees and subconsultants at a construction/project site, shall relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. The A|E CONSULTANT and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures. The OWNER agrees that the General Contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in the OWNER's contract with the General Contractor. The OWNER also agrees that the OWNER, the A|E CONSULTANT and the A|E CONSULTANT's subconsultants shall be indemnified by the General Contractor and shall be made additional insureds under the General Contractor's policies of general liability insurance.
- V. Hazardous Materials: As used in this Agreement, the term *hazardous materials* shall mean any substances, including but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the project site.

Both parties acknowledge that the A|E CONSULTANT's Scope of Services does not include any services related to the presence of any hazardous or toxic materials. In the event the A|E CONSULTANT or any other party encounters any hazardous or toxic materials, or should it become known to the A|E CONSULTANT that such materials may be present on or about the jobsite or any adjacent areas that may affect the performance of the A|E CONSULTANT's services, the A|E CONSULTANT may, at its option and without liability for consequential or any other damages, suspend performance of its services under this Agreement until the OWNER retains appropriate consultants or contractors to identify and abate or remove the hazardous or toxic materials and warrants that the jobsite is in full compliance with all applicable laws and regulations.

The OWNER agrees, notwithstanding any other provision of this Agreement, to the fullest extent permitted by law, to indemnify and hold harmless the A|E CONSULTANT, its officers, partners, employees and consultants (collectively, A|E CONSULTANT) from and against any and all claims, suits, demands, liabilities, losses, damages or costs, including reasonable attorneys' fees and defense costs arising out of or in any way connected with the detection, presence, handling, removal, abatement, or disposal of any asbestos or hazardous or toxic substances, products or materials that exist on, about or adjacent to the project site, whether liability arises under breach of contract or warranty, tort, including negligence, strict liability or statutory liability or any other cause of action, except for the sole negligence or willful misconduct of the A|E CONSULTANT.

- W. Change Orders/Stop Work Orders: The A|E CONSULTANT and the OWNER agree that any construction contract change orders or stop work orders must be approved in writing by the OWNER.
- X. Agreement Not to Claim for Cost of Certain Change Orders: The OWNER recognizes and expects that certain Change Orders may be required to be issued as the result in whole or part of imprecision, incompleteness, errors, omissions, ambiguities, or inconsistencies in the Drawings, Specifications and other design documentation furnished by the A|E CONSULTANT or in the other professional services performed or furnished by the A|E CONSULTANT under this Agreement whether caused by professional negligence or by imperfections that are within professional standards ("Covered Change Orders"). Accordingly, the OWNER agrees not to sue and otherwise to make no claim directly or indirectly against the A|E CONSULTANT on the basis of professional negligence, breach of contract or otherwise with respect to the costs of approved Covered Change Orders unless the costs of such approved Covered Change Orders exceed 5% of Construction Cost, and then only for an amount in excess of such percentage. Any responsibility of the A|E CONSULTANT for the costs of Covered Change Orders in excess of such percentage will be determined on the basis of applicable contractual obligations and professional liability standards. For purposes of this paragraph, the cost of Covered Change Orders will not include any costs that the OWNER would have

incurred if the Covered Change Order work had been included originally in the Contract Documents without any imprecision, incompleteness, error, omission, ambiguity, or inconsistency in the Drawings, Specifications and other design documents furnished by the A|E CONSULTANT or in the A|E CONSULTANT's other professional services related thereto. Nothing in this provision creates a presumption that, or changes the professional liability standard for determining if, the A|E CONSULTANT is liable for the cost of Covered Change Orders in excess of the percentage of Construction Cost stated above or for any other Change Order.

- Y. Dispute Resolution: The OWNER agrees that all claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for nonbinding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. Any party hereto may initiate mediation within the time allowed for filing per State law and the parties hereto agree to fully cooperate and participate in good faith to resolve the dispute(s). The cost of mediation shall be shared equally by the parties hereto.

If mediation fails to resolve the claim or dispute, the matter shall be submitted to a court of competent jurisdiction.



123 W. Main St. Suite 200
Gaylord, MI 49735
O: 989.732.8131
www.c2ae.com

February 12, 2019

Ms. Rachel Frisch, Administrator
Otsego County
225 W. Main Street
Gaylord, MI 49735

Re: Otsego County Trail Extension Construction Contracting

Dear Rachel,

Congratulations on the successful \$200,000 Iron Belle Grant Award for the extension of the Otsego County Trail from Passenheim Road south to the County Line. We are pleased to have been able to assist with that successful application.

We have had numerous discussion over the past few weeks with you, the DNR and MDOT regarding how best to now implement the construction phase of the extension work. We all agree that it would be simplest, the least costly and most time efficient to be able to extend the existing contract at the bid prices with the current contractor, M&M Excavating. The following methods of extending that contract were all investigated and found not feasible:

1. Extension of existing contract through MDOT – we have discussed this at great length with MDOT. MDOT has some very particular guidelines on project extensions due to the federal funding involvement. Because the original project limits did not include the section of trail from Passenheim Road to the County line, environmental and historic clearances were not obtained. It is not possible to now “add on” or extend this contract through MDOT.
2. Contract through C2AE with M&M as a subconsultant – Since the County has a professional services contract with C2AE, it was thought that it might be possible to amend this contract to include the trail extension construction. However, after further investigation, it was determined that this would pose a conflict of interest with the original trail contract, where C2AE is acting as the engineer responsible for administering the contract with M&M. So it would be a conflict of interest to then hire the same contractor under our contract to perform construction on the trail extension, while still maintaining the administration responsibilities for the MDOT/M&M contract.
3. Contract with M&M through the DNR – The DNR has indicated that they do not have the mechanism to be able to do this. Plus, the Iron Belle Trail Grant was awarded to the County.

It appears that there remain two feasible methods to contract the construction of the trail extension, as follows:

- a. The first would be for the County to publicly advertise and competitively bid out the construction of the trail extension. This would be the normal procurement process for the County for an independent contract. The main drawback to this approach is that we believe that bidding out a relatively small project as this would not have the economies of scale of the original contract, and feel that it is extremely likely that the bids would exceed the cost of extending the existing contract, and may very possibly exceed the \$200,000 grant amount.
- b. The second would be for the County to forego their normal procurement process and contract directly with M&M Excavating. The contract would be for the same unit prices as their original bid for the main project. We would still need to work out some details and complete the design, but it appears from our preliminary estimates that this contract would be less than \$170,000, which leaves enough for

engineering and potential construction changes. Another advantage of this contract would be that M&M is already mobilized, has the sources for materials already under contract, and could just keep working farther south from where they are now, resulting in a quicker project completion.

We would strongly recommend that due to the unique set of circumstances in this instance, that the County direct contract with M&M Excavating for the trail extension project. We recommend direct contracting for the following reasons:

- We believe that direct contracting will save the County significant cost over competitive bidding. M&M was the low bidder on the original contract by a significant amount. M&M's price was \$1,944,720.80. J&N Construction was the only other bidder at \$2,190,332.96, 13% above M&M's price. The Engineer's estimate for the project was \$2,545,633.00. A bid tabulation from the original bid is attached.
- We believe that contractor that works on this project needs to be MDOT Prequalified. We believe that M&M and J&N are the only two local contractors with the necessary pre-qualifications.
- M&M can fit this project right into the schedule for completion of the original project. No coordination between contractors would be required.
- We will be assured that the same materials (gravel source, etc.) will be the same for the entire project.
- The DNR and MDOT are supportive of the direct contract.
- Contract administration would be simpler with the one Contractor.

Please do not hesitate to contact us with any questions or should you need additional information.

Sincerely,
C2AE



Larry M. Fox, P.E.
Project Manager

Cc: Mr. Chris Churches, Otsego County

Enclosures

Item Description	Units	Item Code	Prop. Line	Unit Price	Prop South Quantity	Estimated Cost
Mobilization, Max \$291,600.00	LS	1500001	10	\$25,000.00	1	\$25,000.00
Curb and Gutter, Rem	Ft	2040020	20	\$10.00	0	\$0.00
Fence, Rem	Ft	2040025	30	\$20.00	0	\$0.00
Pavt, Rem	Syd	2040050	40	\$30.00	0	\$0.00
Sidewalk, Rem	Syd	2040055	50	\$30.00	0	\$0.00
Non Haz Contam Matl Handling & Disp, LM	Cyd	2050031	60	\$40.00	0	\$0.00
Subgrade Undercutting, Type II	Cyd	2050041	70	\$8.00	0	\$0.00
Drive and Parking Lot, Grading	LS	2057051	80	\$3,500.00	0	\$0.00
Erosion Control, Check Dam, Stone	Ft	2080012	90	\$25.00	0	\$0.00
Ero Con, Inlet Protection, Fabric Drop	Ea	2080020	100	\$100.00	0	\$0.00
Erosion Control, Silt Fence	Ft	2080036	110	\$2.00	0	\$0.00
Aggregate Base, 6 Inch	Syd	3020016	120	\$8.00	0	\$0.00
Aggregate Surface Cse, 6 Inch, Special	Syd	3027011	130	\$6.10	0	\$0.00
Maintenance Gravel, LM	Cyd	3060021	140	\$30.00	100	\$3,000.00
Geotextile, Stabilization	Syd	3080010	150	\$7.00	0	\$0.00
Culv End Sect, 12 Inch	Ea	4010012	160	\$375.00	0	\$0.00
Culv End Sect, 15 Inch	Ea	4010015	170	\$500.00	0	\$0.00
Culv, Cl A, 12 Inch	Ft	4010131	180	\$35.00	0	\$0.00
Culv, Cl A, 15 Inch	Ft	4010132	190	\$40.00	40	\$1,600.00
Underdrain, Subgrade, 6 inch	Ft	4040073	200	\$7.00	0	\$0.00
HMA Surface, Rem	Syd	5010005	210	\$7.00	50	\$350.00
Hand Patching	Ton	5010025	220	\$215.00	0	\$0.00
HMA Approach	Ton	5010061	230	\$165.00	0	\$0.00
Conc Pavt, Nonreinf, 8 Inch	Syd	6020104	240	\$40.00	50	\$2,000.00
Steel Sheet Piling, Permanent	Sft	7040001	250	\$19.80	0	\$0.00
Structural Steel, Rolled Shape, Erect	Lb	7070070	260	\$1.50	0	\$0.00
Struct Steel, Rolled Shape, Furn and Fab	Lb	7070071	270	\$1.00	0	\$0.00
Driveway, Nonreinf Conc, 8 Inch	Syd	8010007	280	\$45.00	0	\$0.00
Curb and Gutter, Conc, Dai F4	Ft	8020038	290	\$23.00	0	\$0.00
Curb Ramp Opening, Conc	Ft	8030030	300	\$23.00	0	\$0.00
Sidewalk Ramp, Conc, 6 Inch	Sft	8030036	310	\$5.00	300	\$1,500.00
Sidewalk, Conc, 6 Inch	Sft	8030046	320	\$4.00	0	\$0.00
Detectable Warning Surface, Cast Iron	Ft	8037001	330	\$74.00	20	\$1,480.00
Shared Use Path, Grading, Modified	Ft	8067001	340	\$3.75	7400	\$27,750.00
Post, Wood Guard	Ea	8070085	350	\$45.00	150	\$6,750.00
Vehicle Control Post	Ea	8077050	360	\$30.00	0	\$0.00
Fence, Woven Wire with Steel Post	Ft	8080002	370	\$3.60	6700	\$24,120.00
Fence, Chain Link, 72 Inch	Ft	8080013	380	\$10.80	0	\$0.00
Fence, Moving	Ft	8080120	390	\$18.00	0	\$0.00
Fence, Decorative	Ft	8087001	400	\$45.00	0	\$0.00
Boulder	Ea	8087050	410	\$150.00	0	\$0.00
Post, Steel, 3 lb	Ft	8100371	420	\$4.50	2	\$9.00
Sign, Type III, Erect, Salv	Ea	8100402	430	\$25.00	0	\$0.00
Sign, Type III, Rem	Ea	8100403	440	\$5.00	10	\$50.00
Sign, Type IIIA	Sft	8100404	450	\$14.00	100	\$1,400.00
Sign, Type IIIB	Sft	8100405	460	\$14.00	0	\$0.00
Delineator Post	Ea	8107050	470	\$20.00	0	\$0.00
Trail Sign Post and Installation	Ea	8107050	480	\$40.00	12	\$480.00
Pavt Mrkg, Waterborne, 4 Inch, White	Ft	8110231	490	\$1.35	0	\$0.00
Pavt Mrkg, Waterborne, 4 Inch, Yellow	Ft	8110232	500	\$1.35	0	\$0.00
Protective Only, Snowmobile Trail Crossing	Syd	8110550	510	\$90.00	0	\$0.00
Pavt Mrkg, Waterborne, 6 Inch, Crosswalk	Ft	8117001	520	\$2.10	60	\$126.00
Barr, Type III, High Inten, ObliSided, Ltd, Furn	Ea	8120012	530	\$70.00	5	\$350.00
Barr, Type III, High Inten, ObliSided, Ltd, Oper	Ea	8120013	540	\$5.00	5	\$25.00
Channelizing Device, 42 Inch, Furn	Ea	8120030	550	\$24.00	10	\$240.00
Channelizing Device, 42 Inch, Oper	Ea	8120031	560	\$1.00	10	\$10.00
Lighted Arrow, Type C, Furn	Ea	8120140	570	\$400.00	0	\$0.00
Lighted Arrow, Type C, Oper	Ea	8120141	580	\$200.00	0	\$0.00
Minor Trail Devices	LS	8120170	590	\$60,000.00	0	\$0.00
Plastic Drum, High Intensity, Furn	Ea	8120250	600	\$24.00	0	\$0.00
Plastic Drum, High Intensity, Oper	Ea	8120251	610	\$1.00	0	\$0.00
Sign, Type B, Temp, Prismatic, Furn	Sft	8120350	620	\$4.00	50	\$200.00
Sign, Type B, Temp, Prismatic, Oper	Sft	8120351	630	\$1.00	50	\$50.00
Sign, Type B, Temp, Prismatic, Special, Furn	Sft	8120352	640	\$4.00	5	\$20.00
Sign, Type B, Temp, Prismatic, Special, Oper	Sft	8120353	650	\$1.00	5	\$5.00
Traf Regulator Control	LS	8120370	660	\$6,500.00	0	\$0.00
Pedestrian Type II Barricade, Temp	Ea	8127050	670	\$95.00	0	\$0.00
Riprap, Heavy	Ton	8130006	680	\$62.00	0	\$0.00
Block Wall, Landscape, Nonreinf	Sft	8157010	690	\$32.50	0	\$0.00
Bench	Ea	8157050	700	\$1,435.00	0	\$0.00
Mulch Blanket, High Velocity	Syd	8160028	710	\$0.97	0	\$0.00
Slope Restoration, Modified	Sft	8167002	720	\$255.00	74	\$18,870.00
Railroad Protection, at Grade Crossing	Dir	8507060	730	\$1.00	0	\$0.00
Abandoned Railroad Tie, Relocation	Cyd	2057021	735	\$40.00	0	\$0.00
Masonry and Conc Structure, Rem	Cyd	2040045	740	\$108.92	0	\$0.00
Drive and Parking Lot, Grading, Modified	LS	2057051	745	\$3,500.00	0	\$0.00
Aggregate Surface Cse, 6 Inch, Spec, Mod	Syd	3027011	750	\$5.93	8220	\$48,744.60
Gate Box, Adj, Case 1	Ea	8130491	755	\$264.55	0	\$0.00
Underdrain Outlet, 6 inch	Ft	4040093	765	\$35.00	0	\$0.00
Riprap, Plain	Syd	8130010	770	\$51.00	0	\$0.00
Dr Structure, 24 Inch, PVC	Ea	4037050	775	\$1,350.00	0	\$0.00
Culv, Cl A, 18 Inch	Ft	4010133	780	\$47.00	0	\$0.00

Inc In Mob

Inc In Mob

\$164,179.60

Budget Amendments Summary for Approval by BOC 2/26/2019

BA#	Purpose	Financial Effect
29198	Increase budget for inmate health costs at 2018 year end	Decreased the hourly wage budget as there was money available and increased the inmate health budget line item by the needed \$21,683
28997	Increase budget in supplies Distributive Services Dept. for copier expenses at 2018 year end	Decreased the outside contracted services line item in dept. 601 District Health and increased the supply line item in Distributive Services by the needed \$300
28988	Increase budget in courts and FOC for retirement and PT wages respectively at 2018 year end	FOC decreased hospitalization by \$4,000 and increased retirement expense line budget by the needed \$4,000; Circuit Court, decreased overtime budget by \$2,000 and increased PT wage expense line item by the needed \$2,000
29161	Adjust the inside services budget in Sheriff dept. back to the approved budget at 2018 year end	Decreased regular-hourly line item budget and increased the inside purchased services by the needed \$800
29076	Adjust the Sheriff budget to reflect R. Keller's wages as PT rather than FT for the 2019 year	Decreased the hourly wage budget and increased the PT wage line item by the needed \$17,791
29075	Adjust the Sheriff budget to reflect R. Keller's wages as PT rather than FT for the 2018 year end	Decreased the hourly wage budget and increased the PT wage line item by the needed \$4,665
29229	Adjust the Groen budget to reflect R. Templeton as hourly rather than PT for the 2019 year	Decreased the PT wage budget and increased the hourly wage line item by the needed \$12,908
29206	Adjust the budget in recycling to cover recycling cost by using FB for the 2018 year end	Decrease outside contracted services by \$2,763 and fb by \$7,831 and increase outside contracted services program by the needed \$10,594
28948	Adjust the UCMAN budget for repairs and maintenance (originally planned to be done in 2017) by using FB for the 2018 year end	Decrease FB and increase the repairs and maintenance expense line item by the needed \$22,800

JOURNAL ENTRY

JE: 29198

Post Date: 12/31/2018

Entered By: mmaier

Entry Date: 02/19/2019

Journal: BA

Description: RECLASS SHERIFF EXPENSES FOR INMATE HEAL

GL #	Description	DR	CR
101-351-703.030	REGULAR - HOURLY	21,683.00	
101-351-930.470	INMATE HEALTH		21,683.00
	Journal Total:	21,683.00	21,683.00

APPROVED BY: _____

JOURNAL ENTRY

JE: 28997

Post Date: 12/31/2018

Entered By: mmaier

Entry Date: 01/30/2019

Journal: BA

Description: ADJUST BUDGET TO REFLECT SUPPLY PURCH.

GL #	Description	DR	CR
101-601-940.010	OUTSIDE CONTRACTED SERVICES	300.00	
101-864-726.000	SUPPLIES - GENERAL		300.00
	Journal Total:	300.00	300.00

APPROVED BY: _____

JOURNAL ENTRY

JE: 28988

Post Date: 12/31/2018
Entry Date: 01/29/2019
Description: YE PAYROLL ADJUSTMENTS

Entered By: mmaier
Journal: BA

GL #	Description	DR	CR
215-141-704.110	HOSPITALIZATION	4,000.00	
215-141-704.300	RETIREMENT CONTRIBUTIONS		4,000.00
101-131-703.070	OVERTIME	2,000.00	
101-131-703.060	PART-TIME/TEMPORARY		2,000.00
	Journal Total:	6,000.00	6,000.00

APPROVED BY: _____

JOURNAL ENTRY

JE: 29161

Post Date: 12/31/2018
Entry Date: 02/15/2019
Description: RECLASS SHERIFF BUDGET

Entered By: mmaier
Journal: BA

GL #	Description	DR	CR
205-301-940.000	INSIDE PURCHASED SERVICES		800.00
205-301-703.030	REGULAR - HOURLY	800.00	
Journal Total:		800.00	800.00

APPROVED BY: _____

JOURNAL ENTRY

JE: 29076

Post Date: 01/01/2019
Entry Date: 02/05/2019
Description: REFLECT R.KELLER AS PT RATHER THAN FT

Entered By: rmaier
Journal: BA

GL #	Description	DR	CR
205-301-703.030	REGULAR - HOURLY	17,791.00	
205-301-703.060	PART-TIME/TEMPORARY		17,791.00
	Journal Total:	17,791.00	17,791.00

APPROVED BY: _____

JOURNAL ENTRY
JE: 29075

Post Date: 12/31/2018
Entry Date: 02/05/2019
Description: REFLECT R.KELLER AS PT RATHER THAN FT

Entered By: mmaier
Journal: BA

GL #	Description	DR	CR
205-301-703.030	REGULAR - HOURLY	4,665.00	
205-301-703.060	PART-TIME/TEMPORARY		4,665.00
Journal Total:		4,665.00	4,665.00

APPROVED BY: _____

JOURNAL ENTRY

JE: 29229

Entered By: mmaier

Journal: BA

Post Date: 01/01/2019

Entry Date: 02/20/2019

Description: CORRECT RUSS T. AS HR. NOT PT.

GL #	Description	DR	CR
209-751-703.030	REGULAR - HOURLY		12,908.00
209-751-703.060	PART-TIME/TEMPORARY	12,908.00	
	Journal Total:	12,908.00	12,908.00

APPROVED BY: _____

JOURNAL ENTRY
JE: 29206

Entered By: mmaier
Journal: BA

Post Date: 12/31/2018
Entry Date: 02/20/2019
Description: RECLASS RECYCLING EXP

GL #	Description	DR	CR
226-528-940.010	OUTSIDE CONTRACTED SERVICES	2,763.00	
226-528-940.010-PROG000000	OUTSIDE CONTRACTED SERVICES		10,594.00
226-050-400.001	BUDGETED USE OF FUND BALANCE	7,831.00	
Journal Total:		10,594.00	10,594.00

APPROVED BY: _____

JOURNAL ENTRY

JE: 28948

Entered By: RFRISCH

Journal: BA

Post Date: 12/31/2018

Entry Date: 01/23/2019

Description: AMEND FOR UCMAN UPGRADES/MTNCE

GL #	Description	DR	CR
594-806-920.400	REPAIRS AND MAINTENANCE SVCS		22,800.00
594-050-400.001	BUDGETED USE OF FUND BALANCE	22,800.00	
	Journal Total:	22,800.00	22,800.00

APPROVED BY: _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: PARK-GROEN

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

DESCRIPTION Ranger Station & Entrance

REVENUE

Account Number	Decrease	Increase
494-050-674.000	\$	\$ 130,000
	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
494-901-970.300-ENTRNC_GRO	\$ 375,000	\$
494-901-970.300-RNGRSTN_GRO	\$ 65,000	\$
494-901-970.300	\$	\$ 310,000
	\$	\$
	\$	\$
	\$	\$
Total	\$ 440,000	\$ 440,000

[Signature] 2/15/2019
 Department Head Signature Date

 Administrator's Signature Date

Finance Department
Entered: <u>2/15/2019</u>
By: <u><i>[Signature]</i></u>

 Board Approval Date (if necessary) Budget Adjustment # 29158 Posting Number

JOURNAL ENTRY
JE: 29158

Post Date: 01/01/2019
Entry Date: 02/15/2019
Description: ENTRANCE AND RANGER STATION ADJ

Entered By: mmaier
Journal: BA

GL #	Description	DR	CR
494-901-970.300-RNGRSTN GR	PROPERTY - IMPROVEMENTS		65,000.00
494-901-970.300-ENTRNC GRO	PROPERTY - IMPROVEMENTS		375,000.00
494-901-970.300	PROPERTY - IMPROVEMENTS	310,000.00	
494-050-674.000	OTHER REV - CONTRIBUTIONS	130,000.00	
	Journal Total:	440,000.00	440,000.00

APPROVED BY: _____



**Policies and Procedures – Federal Awards Administration
2 CFR 200 Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles**

Grant Administration – Otsego County does not have a centralized grants department, therefore it is of the utmost importance that each department is mindful of the type of grant received. Operational grants will be the responsibility of each department to monitor and maintain applicable compliance requirements. Capital grants will be managed by the Director of Planning and Zoning, Capital Projects and Grants. If a grant is Federal, the department should immediately notify the Finance Department for inclusion in the County's Single Audit.

Source of Governing Requirements – The requirements for activities allowed or unallowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for allowable costs/cost principles are contained in 2 CFR 200, subpart E, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for the development and submission of indirect (facilities and administration (F&A)) cost rate proposals and cost allocation plans (CAPs) are contained in 2 CFR part 200 Appendix X.

In order to ensure compliance with these requirements, The County has implemented the following policies and procedures:

1. All grant expenditures will be in compliance with the Uniform Guidance, State law, County policies, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for expenditures that are considered reasonable and necessary for the administration of the program.
2. Grant expenditures will be approved by the Finance Director or assigned designee initially through the purchase order process, and again when the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Finance Department until necessary approval has been obtained.
3. Payroll costs will be documented in accordance with the Uniform Guidance.
4. The County will be permitted to charge indirect costs to federal grants at either (1) the federally negotiated indirect cost rate (if one exists) or (2) the de minimis rate of 10 percent. The selected rate will be applied to Modified Total Direct Costs (MTDC).



Policies and Procedures – Federal Awards Administration 2 CFR 200 Compliance Supplement Cash Management

Grant Administration – Otsego County does not have a centralized grants department, therefore it is of the upmost importance that each department is mindful of the type of grant received. Operational grants will be the responsibility of each department to monitor and maintain applicable compliance requirements. Capital grants will be managed by the Director of Planning and Zoning, Capital Projects and Grants. If a grant is Federal, the department should immediately notify the Finance Department for inclusion in the County's Single Audit.

Source of Governing Requirements – The requirements for cash management are contained in 2 CFR §200.305, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

In order to ensure compliance with these requirements, The County has implemented the following policies and procedures:

1. Most of the County grants are awarded on a reimbursement basis. As such, for reimbursement based grants, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency. In the event of an advance type grant, efforts will be made to minimize the time between receipt of funding and disbursement to applicable parties according to §200.302 (6) of the Uniform Guidance.
2. Reimbursement requests will be initiated by the applicable individual assigned to each specific grant. Documentation of how this amount was determined will be retained and signed/dated.
3. Each cash draw will be reviewed by an additional individual as assigned.
4. The physical draw of cash will be processed through the means prescribed by the grant agreement.
5. Supporting documentation of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: Equipment Fund

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

DESCRIPTION Purchase 2 Tahoe patrol vehicles for the Sheriff Department and outfit 4 new patrol vehicles

REVENUE (For the 2 new vehicles and 2 previously purchased that still need to be outfitted for patrol.)

Account Number	Decrease	Increase
Budgeted Use of Fund Balance to outfit 4 new patrol vehicles	\$	\$ 48,000
Carry forward 2018 vehicle budget into 2019 for 2 Tahoes	\$	\$ 72,734
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
	\$ 120,734	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$ 120,734	\$ 120,734

Department Head Signature

Date

Rachel Stusch

Administrator's Signature

Date

Finance Department
Entered:
By:

2/26/19

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number

BID PER ENCLOSED SPECIFICATIONS

Cost per vehicle \$ \$36,367.00

Number of units 2

Total Bid Amount \$ \$72,734.00

Vehicle Description:

Year 2019

Make Chevrolet

Model Tahoe 4wd
police package

Vendor :

Berger Chevrolet Inc

Address 2525 28th Street S.E.

Grand Rapids, MI 49512

Phone (616) 949-5200

Fax (616) 988-9178

Signature



Printed Signature Robert M. Evans

Date 12/26/2018

Bid Prepared For :

Otsego County

Price includes title fee and delivery.