

MEMORANDUM OF UNDERSTANDING
BETWEEN
MICHIGAN DEPARTMENT OF TRANSPORTATION
AND
CITY OF DETROIT

I. PURPOSE

This Memorandum of Understanding is entered into this date of JUN - 8 2005 between the Michigan Department of Transportation (MDOT) and the City of Detroit (CITY) for the purpose of transferring jurisdiction of the road segment described in Attachment A, dated April 26, 2005, said road segment hereinafter referred to as the "ROAD SEGMENT." This Memorandum of Understanding 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 jurisdictional control of the ROAD SEGMENT. The transfer of jurisdictional control of the ROAD SEGMENT will make this roadway a City Major Street.

The parties intend this Memorandum of Understanding 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 design and 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 standards represented by the description of work and the work items set forth in Attachment B, dated April 26, 2005, said design and construction work hereinafter referred to as the "PROJECT."

III. AGREEMENT

Upon award and acceptance of this Memorandum of Understanding 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 roadway a City Major Street.
2. To pay the amount of One Million Three Hundred Twenty-One Thousand Dollars (\$1,321,000.00) 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 ninety (90) days after the date of award of this Memorandum of Understanding.
3. To transfer to the CITY title to any right-of-way held in fee simple by MDOT associated with the ROAD SEGMENT at a future date and under the condition that any right-of-way transferred will be used for public transportation purposes.

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 Memorandum of Understanding.
3. To perform the PROJECT work and, meeting or exceeding the standards represented by the description of work and the work items set forth in Attachment B, dated April 26, 2005.
4. To complete the PROJECT for the indicated cost of One Million Three Hundred Twenty-One Thousand Dollars (\$1,321,000.00). The CITY will be responsible for all costs in excess of the MDOT funds shown in Section III, Part A, subpart 2. Nothing in this Memorandum of Understanding 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 Memorandum of Understanding will represent only those items that are properly chargeable in accordance with this Memorandum of Understanding. The CITY also certifies that it has read the Memorandum of Understanding terms and has made itself aware of the applicable laws, regulations, and terms of this Memorandum of Understanding that apply to the incurring of costs under the terms of this Memorandum of Understanding.

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

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. That, if for any reason the PROJECT is not completed within five (5) years of the date of award of this Memorandum of Understanding, the CITY will promptly repay to 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 set forth herein.
7. Upon completion of the PROJECT, to notify MDOT in writing of such PROJECT completion and include a statement of costs incurred by the CITY for the PROJECT.
8. 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 the PROJECT for which payment is sought or made under this Memorandum of Understanding, said records to be hereinafter referred to as the "RECORDS." Separate accounts will be established and maintained for all costs incurred for the PROJECT under this Memorandum of Understanding.
 - b. The CITY will maintain the RECORDS for at least three (3) years from the date of PROJECT completion under this Memorandum of Understanding. In the event of a dispute with regard to the allowable

expenses or any other issue under this Memorandum of Understanding, 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, 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.
9. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Memorandum of Understanding 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 MDOT Bureau 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, hereinafter referred to as the "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 Memorandum of Understanding. 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 Memorandum of Understanding 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 Memorandum of Understanding, 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 Memorandum of Understanding will take effect upon award and will remain in effect unless it is modified according to Section V below.


V. MODIFICATION

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

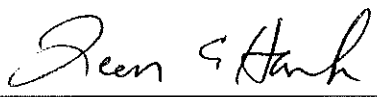
VI. SIGNATURE

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

CITY OF DETROIT


Title: *Street Administrator*

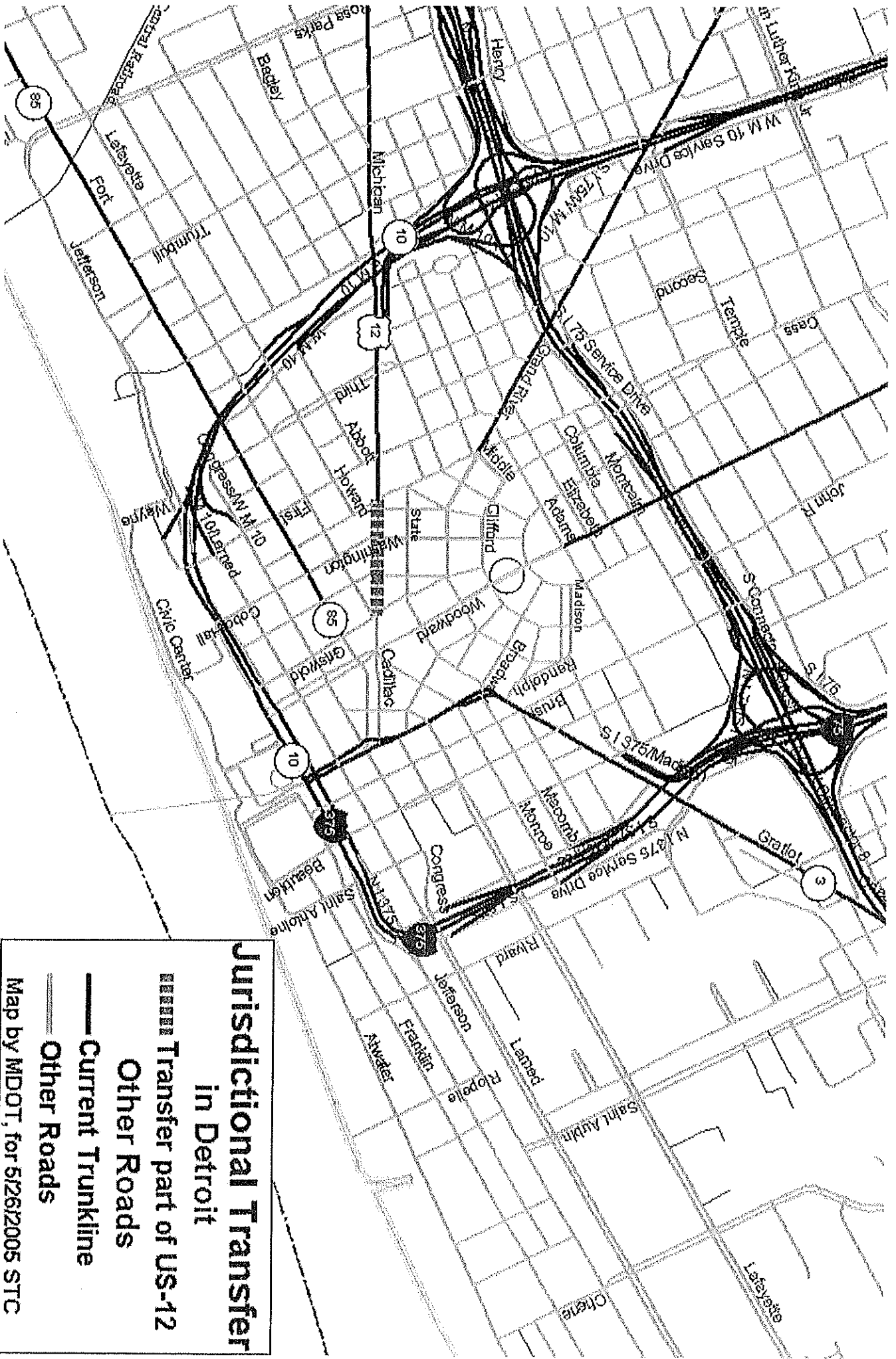
MICHIGAN DEPARTMENT OF TRANSPORTATION


Title: Director
Michigan Department of Transportation

ATTACHMENT A
April 26, 2005

Roadway Segment proposed for transfer from MDOT to the City of Detroit, to become a City Major Street:

US-12/Michigan Avenue, from the centerline of Cass Street easterly to the centerline of Griswold Street, a distance of 0.23 miles, in control section 82062.



ATTACHMENT B

April 26, 2005

The following description of work and work items represent the minimum standards for the renovation, repair, and/or reconstruction work to be performed on the road segment described in Attachment A, dated April 26, 2005. Alternate work items and/or quantities are permitted so long as the minimum standards represented herein are achieved and design guidelines are applied according to the MDOT publication, "Geometric Design Guidelines for Federal/State Funded Local Agency Projects," dated May 1, 2001, or most current. In the absence of work items and/or quantities, a description of work and an alternative standard have been specified for Phase I of the PROJECT.

PROJECT, PHASE I:

Micro Resurface 0.23 miles in accordance with City of Detroit standards

PROJECT, PHASE II:

Reconstruct or Mill and Resurface 0.23 miles

Mainline Pavement Items

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Curb and gutter, remove	972	ft
Pavt, remove	2,361	syd
Sidewalk, remove	216	syd
Excavation, earth	144	cyd
Diveway excavation	2	ea
Aggregate base, 1m	336	cyd
Cold milling HMA surface	9,445	syd
HMA 13A	105	ton
HMA 4E10, High Stress	979	ton
HMA 5E10, High Stress	7,245	ton
HMA 5E10, Crown Modification	319	ton
HMA approach, High Stress	195	ton
Bump Grinding	50	syd
HMA Quality Initiative	8,419	dlr
HMA Quality Assurance Testing	8,419	ton
Concrete Pavement Misc Reinf 10 in	100	syd
Concrete Quality Assurance	100	cyd
Driveway Non reinforced Concrete, 6 in	100	syd
Concrete Curb and Gutter	972	ft
Sidewalk concrete 4 in	216	sft

Drainage Items

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Dr Structure, remove	8	ea
Sewer remove less than 24"	1,214	ft
Sewer CI E 12 inch trench det b	1,214	ft

Drainage Items Cont.

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Video taping sewer	2,429	ft
Drainage structure additional depth	37	ft
Drainage structure cover	15,704	lb
Drainage structure cover adj case i	35	ea
Drainage structure temporary lowering	20	ea
Drainage structure tap 12 in	1	ea
Drainage structure cleaning	35	ea
Drainage structure lead cleaning	1,475	ft
Hand patching	17	ton
Joint tied	76	ft
Pavement repair reinforced 10 in	67	syd
Pavement repair, remove	67	syd

Joint Repair And Pavement Patching

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Pavement Joint and crack repair, detail 7	213	ft
Pavement Joint and crack repair, detail 8	255	ft
Joint repair longitudinal	1,457	ft
Pavement Repair conc moving from rep to rep	15	ea
Pavement repair reinf conc 10 in	808	syd
Saw cut intermediate	344	ft

Environmental

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Non-hazardous contaminated material handling and disposal	500	cyd

Permanent Traffic Control

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Post steel	270	ft
Sign Type II A	25	sft
Sign Type III A	36	sft
Sign Type III B	81	sft
Sign Type III remove	21	ea
Pavement marking, polyurea, 4in white	4,858	ft
Pavement marking, polyurea, 4in yellow	2,429	ft
Pavement marking, polyurea, 8in white	671	ft
Pavement marking, polyurea, 24in stop bar	840	ft
Pavement marking, polyurea, 6in crosswalk	840	ft
Pavement marking, polyurea, lt arrow	12	ea
Pavement marking, polyurea, right	12	ea
Pavement marking, polyurea, only	12	ea

Miscellaneous

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Mobilization	1	ls
Erosion control sediment trap	24	a

Miscellaneous Cont.

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Erosion control silt fence	2,429	t
Contractor staking	1	s
Staking plan errors and extras, one person	80	r
Staking plan errors and extras, two person	32	r
Staking plan errors and extras, three person	48	r
Roadway enhancement	1	ls
Minor traffic control devices	1	ls
Flag control	1	ls
Monument box	1	ea
Monument box adj	1	ea
Monument preservation	1	ea

Maintaining Traffic Items

<u>Work Item</u>	<u>Quantity</u>	<u>Unit</u>
Barricade type II high intensity lighted furnished	3	ea
Barricade type II high intensity lighted operated	3	ea
Lighted arrow type c furnished	2	ea
Lighted arrow type c operated	2	ea
Pavement marking longit, 6in or less remove	6,072	ft
Pavement marking type nr paint white temp	4,858	ft
Pavement marking type r paint white temp	2,429	ft
Plastic drum high intensity lighted furnished	50	ea
Plastic drum high intensity lighted operated	50	ea
Sign cover	5	ea
Sign type b temp furnished	156	sft
Sign type b temp operated	156	sft
Contingency for traffic signal modifications	1	ls

Construction Cost Subtotal**Contingencies**

10 percent of construction cost
subtotal

Direct Construction Cost Subtotal**Preliminary And
Construction Engineering**

23 percent of direct construction
cost subtotal