

**WORK SESSION AGENDA  
WYOMING CITY COUNCIL MEETING  
CITY COUNCIL CHAMBERS**

**Monday, May 14, 2012, 7:00 P.M.**

- 1) Call to Order**
- 2) Student Recognition**
- 3) Public Comment on Agenda Items (3 minute limit per person)**
- 4) Provision of Contract Laboratory Services for the City of Grand Rapids**
- 5) GVRBA Annual Budget and Update**
- 6) Kent County Dispatch Authority Financial Services Agreement**
- 7) Audit Services for Fiscal Years 2012-2014**
- 8) Interurban Transit Partnership (The Rapid) Interlocal Agreement for the Silver  
Line Bus Rapid Transit Project**
- 9) Any Other Matters**
- 10) Acknowledgement of Visitors/Public Comment (3 minute limit per person)**
- 11) Closed Session to Discuss Labor Contract Negotiations**

## Staff Report

Date: May 10, 2012  
Subject: Provision of Contract Laboratory Services for the City of Grand Rapids  
From: Jaime Halm, Utilities Lab Manager  
Meeting Date: May 14, 2012

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### Recommendation:

It is recommended that the City of Wyoming Water Treatment Plant provide contracted laboratory services to the City of Grand Rapids. At this time, the testing will be for microbiological analysis. Upon successful implementation, additional testing for chemical and physical parameters may be offered.

### Sustainability Criteria:

Environmental Quality – The Water Treatment Plant is actively engaged in the protection of the public health of Wyoming’s citizens. A large part of this work is conducting laboratory analysis to quantifiably document our treatment success and compliance with regulatory requirements. The consolidation of services into one location does not have significant environmental impact.

Social Equity – The Utility function within the City of Wyoming provides the same high quality service to all areas of the City, as well as to its wholesale customer communities, without regard to income level or socio-economic status. All of Wyoming’s residents enjoy equal access to the benefits of our state-of-the-art drinking water treatment technologies. Through this cooperative venture, equitable access to laboratory services will be extended to citizens of Grand Rapids as well.

Economic Strength – By maintaining our own independent laboratories in the Utilities Department, we are able to keep our costs as low as possible, while generating better analytical data in which we have higher confidence. Consolidation of services to Wyoming’s laboratory will utilize existing physical and human capital to provide revenue-generating services, while eliminating duplicative efforts within the region.

### Discussion:

The Water Treatment Plant has a full service laboratory, with staffing and instrumentation necessary to perform numerous drinking water analyses required for regulatory compliance and treatment process control. Currently, the laboratory serves the City of Wyoming and several wholesale customer communities in providing analytical services and guidance on regulatory programs, sample collection procedures, and data interpretation.

The City of Wyoming Water Treatment Plant Laboratory is certified by the Michigan Department of Environmental Quality for compliance monitoring under the Safe Drinking Water Act. This certification covers the bacteriological, physical, and chemical testing. The Wyoming Water Treatment laboratory is one of few “full-service” certified laboratories in the State.

As an integrated part of a treatment plant the laboratory is uniquely suited to this endeavor with the ability to produce quality data, provide technical guidance, and understand regulatory requirements and

procedures. Currently, the lab has the necessary equipment and space, as well as sufficient labor capacity, to conduct additional testing. Because the lab serves the wholesale customer communities, a model for service provision already exists and can easily be adapted to fit the needs of the City of Grand Rapids.

**Budget Impact:**

The costs for service provision are covered in the budget for the upcoming fiscal year, with an estimated net influence on revenues of \$7000. Additional contracts for other parameters such as HAA5, TTHM, and Lead/Copper are possible.

## **LABORATORY SERVICES**

### **AGREEMENT**

This Laboratory Services Agreement (the “**Agreement**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2012, between the City of Wyoming, a Michigan municipal corporation, the address of which is 1155 28<sup>th</sup> Street, SW, Wyoming, Michigan 49509 (“**Wyoming**”), and the City of Grand Rapids, a Michigan municipal corporation, the address of which is 300 Monroe Avenue, NW, Michigan 49503 (“**Grand Rapids**”).

### **RECITALS**

1. Wyoming wishes to provide laboratory services to Grand Rapids such that each City will benefit from the efficiency gains of having a single point of service delivery.
2. Wyoming operates a State of Michigan certified drinking water laboratory and has sufficient equipment, facilities and properly trained and qualified personnel to provide the laboratory services called for under this Agreement. Wyoming is amenable to provide these services for Grand Rapids, subject to the terms and conditions of this Agreement.
3. Wyoming and Grand Rapids are authorized to enter into this Agreement pursuant to Act No. 35 of the Public Acts of 1951, as amended and Act No. 8 of the Public Acts of 1967 (Ex. Sess.), as amended.
4. For purposes of this Agreement, “**Customer**” refers to the City of Grand Rapids and “**Provider**” refers to the City of Wyoming.

### **AGREEMENT**

Now, therefore, for good and valuable consideration in and referred to in this Agreement, the sufficiency of which is acknowledged, the parties agree:

A. Retention. Subject to the terms of this Agreement, Grand Rapids does hereby retain the services of Wyoming (and its personnel), as an independent contractor, to provide certified drinking water laboratory services.

B. Duties of Wyoming as Provider. The Provider shall provide laboratory services consistent with the procedures, practices and provisions required of a State of Michigan certified drinking water laboratory. The Provider is obligated to maintain State of Michigan drinking water certification for all contracted laboratory services during the term of this Agreement and the Provider shall notify the Customer should there be any lapse in any laboratory drinking water certification held by the Provider.

The Provider shall maintain for the Customer complete records of the services

performed pursuant to this Agreement. Complete records include laboratory reports, quality control reports including any and all data qualifications, instrument calibration and maintenance records, chain of custody information including dates and times of sample collection, sample receipt and processing information throughout the entire analytical procedure including analyst identification.

The Provider shall perform all designated services in a timely and competent manner which is satisfactory to the Customer and as stipulated in Exhibit B (attached). The services to be performed by the Provider's personnel pursuant to this Agreement are acknowledged by the parties to be governmental functions in accordance with Act No. 170 of the Public Acts of 1964, as amended. Nothing herein shall be construed or interpreted as a waiver of the parties' privileges and immunities as agencies performing governmental functions under state law.

C. Equipment and Supplies. The Provider shall provide and maintain, at its own expense, such equipment and supplies necessary to perform the duties required by this Agreement.

D. Motor Vehicles. The Provider shall provide any motor vehicles required for the performance of its duties pursuant to this Agreement and shall be responsible for all expenses associated with the operation of such motor vehicles, including gasoline, maintenance, repairs, insurance, and all incidental costs. Motor vehicles shall be in good repair and identifiable as representing Wyoming.

E. Compensation. As compensation for the services provided pursuant to this Agreement, the Customer shall pay the Provider in accordance with the schedule of fees as stated in Exhibit A attached to this Agreement. The schedule of fees may be periodically adjusted upon written approval of the Grand Rapids Water System Manager and the Wyoming Director of Public Works or their designees. Such approval shall include the effective date of the new rates and be duly signed by both parties.

The Provider shall not be entitled to any benefits or payments of any kind in the provision of these services, except as provided for in this Section E. The Provider shall invoice the Customer monthly for services rendered and the Customer shall reimburse the Provider within 30 days of invoicing.

F. Independent Contractor. In the performance of all work, duties and obligations pursuant to this Agreement, it is mutually understood and agreed that the Provider, its officers and employees are and shall be at all times acting and performing as an independent contractor. The Customer shall neither have, nor exercise, any control or direction over the methods by which the Provider's personnel perform the work and functions called for under this Agreement, except that the Provider agrees at all times to comply completely and fully with the provisions of this Agreement. The Customer may

perform or cause to be performed random quality assurance actions related to the service provided.

G. Comprehensive General Liability Insurance and Indemnification. Wyoming shall at all times secure and maintain in force comprehensive general liability insurance. This insurance shall be written in comprehensive form and shall protect against all claims for personal and bodily injuries to members of the public and damage to property arising from any act or omission of the Provider under this Agreement. The parties acknowledge that the insurance liability limits provided may include self-insurance retention under the terms of a municipal self-insurance risk management program (e.g. Michigan Municipal Risk Management Authority). Grand Rapids shall indemnify Wyoming against and save Wyoming harmless from any liability or claim for damages arising from the water samples and the collection of such samples by Grand Rapids and their delivery to Wyoming for testing pursuant to this Agreement except those that arise from the negligence of Wyoming or its employees or agents and is not otherwise covered by insurance carried by Wyoming. Wyoming shall indemnify Grand Rapids against and save Grand Rapids harmless from any liability or claim for damages arising from the services to be performed by Wyoming pursuant to this Agreement except those that arise from the negligence of Grand Rapids or its employees or agents and is not otherwise covered by insurance carried by Grand Rapids.

The liability limits shall not be less than:

Bodily Injury:	\$1,000,000 each occurrence; \$2,000,000 annual aggregate.
Property Damage:	\$1,000,000 each occurrence; \$2,000,000 annual aggregate.

Wyoming shall promptly notify Grand Rapids of any knowledge regarding any occurrence which may result in a claim, and the parties hereto shall cooperate with each other whenever any claim is filed with respect to the services rendered pursuant to this Agreement.

Any such policy(ies) of insurance shall name or provide that Grand Rapids shall be named as an additional insured and shall be payable as to Grand Rapids or as Grand Rapids specifies. Any such policy(ies) shall further provide that it(they) shall not be subject to non-renewal, cancellation or termination without not less than 30 days prior written notice to Grand Rapids.

H. Term. The term of this Agreement shall commence on the date above

written and shall continue until terminated as provided herein.

I. Termination by Notice. This Agreement may be terminated by Wyoming or Grand Rapids, without cause or reason, at any time, upon ninety (90) business days' written notice to the other party. In the event of termination, the Customer shall pay to the Provider any and all amounts due for work performed under this Agreement to the date of termination provided, however, the indemnification provisions contained in Section G. of this Agreement shall continue beyond the term of this Agreement.

J. Effect of Termination. Upon termination or expiration of this Agreement, the parties shall have no further obligation to each other except for obligations accruing prior to the effective date of the termination or expiration. However, Wyoming and Grand Rapids shall be obligated to cooperate with each other whenever any claim is filed against either of them with respect to the services rendered pursuant to this Agreement, which obligation shall continue without regard to termination or expiration of this Agreement.

K. Miscellaneous. This Agreement shall be non-assignable. This Agreement shall inure to the benefit of and be binding upon the parties and their respective assigns and successors. All notices and other documents to be served or transmitted shall be in writing and addressed to the respective parties at the addresses stated above or such other address or addresses as shall be specified by the parties from time to time, and may be served or transmitted in person or by ordinary or certified mail properly addressed with sufficient postage. Alternative means of transmittal utilizing electronic media may be used as agreed upon by both parties and in conformance with applicable laws and regulations pertaining to its use. Records shall be retained in conformance with State of Michigan General Record Retention and Disposal Schedule adopted by the respective party. Freedom of information requests pursuant to 1976 P.A. 442, as amended, related to the services provided in this Agreement shall be processed according to rules governing such requests of the party to whom the request is directed. Parties to this Agreement shall promptly notify each other of such requests. This Agreement has been executed in the State of Michigan and shall be governed by Michigan law. The waiver by any party of a breach or violation of any provision of this Agreement shall not be a waiver of any subsequent breach or violation of the same or any other provision of this Agreement. If any section or provision of this Agreement is unenforceable for any reason, the unenforceability shall not impair the remainder of this Agreement, which shall remain in full force and effect. This Agreement represents the entire understanding and agreement between the parties regarding the subject matter hereof, and all prior understandings and agreements are specifically merged in this Agreement. The captions in this Agreement are for convenience only and shall not be considered as part of this Agreement or in any way amplifying or modifying its terms and provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day

and year first above written.

CITY OF WYOMING

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

Jack Poll, Mayor

Attest: \_\_\_\_\_

Heidi Isakson, Clerk

CITY OF GRAND RAPIDS

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

George Heartwell, Mayor

Attest: \_\_\_\_\_

Lauri S. Parks, Clerk

## EXHIBIT A

Method	Reference	Purpose	Cost/Test
Colilert	SM 9223B	Total Coliform/E. Coli	\$9.00
LTB Presence/Absence - Presumptive	SM 9221D	Total Coliform/E. Coli	\$13.50
LTB Presence/Absence – Completed	SM 9221D	Total Coliform/E. Coli	\$15.00
Quanti-Tray	SM 9223B	Total Coliform/E.Coli enumeration	\$10.50
R2A Pour Plate	SM9215B	Heterotrophic Plate Count	\$7.00
SimPlate*	SM9215E	Heterotrophic Plate Count	\$7.00

\* Note: Upon approval of the MDEQ, the City of Wyoming laboratory will be discontinuing the R2A Pour Plate method for Heterotrophic Plate Count. The Pour Plate Method will be replaced by the IDEXX SimPlate method. The cost per test will not change as a result of the method change. The expected date of the change is June 2012.

Approved:

City of Wyoming \_\_\_\_\_ Dated: \_\_\_\_\_, 2012

City of Grand Rapids \_\_\_\_\_ Dated: \_\_\_\_\_, 2012

Effective: \_\_\_\_\_, 2012

## EXHIBIT B

### City of Wyoming Water Treatment Plant Proposal for Provision of Microbiological Services

#### **Laboratory Certification**

The City of Wyoming Water Treatment Plant has a full service laboratory, with staffing and instrumentation necessary to perform numerous drinking water analyses required for regulatory compliance. Currently, the laboratory serves the City of Wyoming and several wholesale customer communities in providing analytical services and guidance on regulatory programs, sample collection procedures, and data interpretation.

The City of Wyoming Water Treatment Plant Laboratory is certified by the Michigan Department of Environmental Quality for compliance monitoring under the Safe Drinking Water Act, 1976 PA 399, as amended. The certification covers the following parameters:

#### Microbiology (Full Certification)

- Total Coliform (SM 9221D)
- Total Coliform and E.coli (SM 9223B)
- Fecal Coliform (SM 9221E)
- E.coli (SM 9221F)
- Enumeration of E.coli (SM 9223B, multiple well)
- Heterotrophic Plate Count (SM 9215B)

#### Inorganic Chemistry (Full Certification)

- Fluoride (SM 4500-F-C)
- Lead and Copper (EPA Method 200.5)

#### Organic Chemistry

- Regulated and Unregulated Volatile Organic Chemicals and Total Trihalomethanes (EPA Method 524.2)
- Haloacetic Acids (EPA Method 552.2)

## **Microbiological Methods**

The laboratory currently offers the following methods for microbiological testing:

### Coliform Testing – Presence/Absence Methods

- Colilert (24 Hour) – Total Coliform/E.Coli
  - May be used with Quanti-Tray for enumeration
- Presence/Absence Broth (LTB method)
  - Presumptive, confirmed, completed phases

### Heterotrophic Plate Count

- R2A Agar Pour Plate
- IDEXX SimPlate – expected certification for method in 2012

The Wyoming laboratory staff keeps abreast of new testing methods and technologies. Should new methods be identified that may offer advantages (i.e. cost savings, ease of use, shorter test duration) the laboratory will evaluate the methods against those presently offered. The laboratory will conduct any comparison studies, performance testing, or other requirements necessary to obtain certification before offering additional analytical methods.

### Coliform Testing

Distribution System Routine Monitoring samples will be analyzed for coliform bacteria using two methods (Presence/Absence LTB, Colilert). Construction samples will be analyzed using Presence/Absence LTB Method.

- Presence/Absence LTB Method
  - 48 hour method which requires additional confirmation tests for any positive result
  - Does not provide enumeration, but is sensitive to background growth which can indicate water quality issues.

- *Samples will be analyzed once per week using this method (1/4 of total samples per month)*
- Colilert Method
  - 24 hour method which does not require additional confirmation testing
  - *Samples will be setup using this method 3 days per week (3/4 of total samples per month)*

#### Heterotrophic Plate Count

- Current method (R2A Agar Pour Plate) is a 48 hour test
- In 2012, IDEXX SimPlate will replace Pour Plate method. SimPlate is a 48 hour test.
- *Each site will be tested once per month.*

#### **Sample Handling Procedures**

- The customer is responsible for collection of samples, as well as delivery to either the laboratory or the Clean Water Plant for transport by courier.
- Samples will be accepted by the laboratory Monday - Thursday between 7:00am and 4:00pm. For sample submission outside of the standard hours (i.e. resamples, construction samples), arrangements should be made with laboratory staff and/or a plant operator.
- Samples may be transported to the Water Treatment Plant from the Clean Water Plant in Wyoming via courier service Monday through Thursday. Samples must be dropped off no later than 11:00am to be transported by courier on the same day.
- Courier service is NOT offered on Fridays or City of Wyoming holidays.
- Routine distribution system monitoring samples being analyzed using the LTB Broth Presence/Absence method will only be accepted on Mondays. New construction samples being analyzed using the LTB Broth Presence/Absence method will be accepted at any time.
- Sample bottles and labels may be obtained from either the Water Treatment Plant or the Clean Water Plant. Samples submitted in other containers/bottles will not be accepted.

- The laboratory utilizes a bar-coding system to track sample data and results. All samples must have a barcode label. Sample data should be written in the appropriate spaces on the bottle label.
- Samples must be entered into the database system by sampling personnel at the time of drop-off at either the Water Treatment Plant or the Clean Water Plant.
- Laboratory staff will provide training on sample handling procedures for all field staff.

### **Data Reporting**

The laboratory utilizes an electronic record keeping and data reporting system which has been reviewed by MDEQ during the certification audit process. This system allows for generation of reports for a single sample as well as multiple samples (by type, address, date range, etc.). Monthly reports appropriate for submission with MOR's can also be generated. To maintain security and integrity, access to data and reports is available for authorized personnel only. Electronic records are maintained in accordance with the necessary records retention requirements.

- The laboratory is responsible for providing data to the customer. The customer is responsible for reporting the data to the appropriate agencies (i.e. MDEQ, EPA).
- Any positive (failing) results will be communicated by the Laboratory Services Manager or an authorized designee by phone to the Grand Rapids Water System Manager and Water Filtration Plant Manager immediately after becoming aware of and validating the test results. Follow-up Communication shall include an email to the aforementioned individuals within one hour of phone notification providing details of the positive (failing) results.
- All results will be summarized and reported to the customer on a weekly basis. Reports will be sent via e-mail to customers no later than Wednesday.
- For distribution system samples, previous month summary reports (for submission to DEQ with MOR) including test results, Min/Max/Avg Chlorine Residuals, and total number of passing samples will be provided by the end of the 5<sup>th</sup> day of the month.

- Construction sample results will be provided to Grand Rapids Field Operations personnel within one business day after the conclusion of the analysis. Construction results from tests conducted over a weekend will be available by 8:00 AM the following Monday. Construction sample results will only be given to water system staff – they will NOT be given directly to contractors.

### **Continuity of Services**

In the event of extenuating circumstances that may impair testing capabilities, the lab will submit samples to a private, third-party certified laboratory for analysis. Should the need arise, Wyoming shall provide timely notification to Grand Rapids of the use of the services of any third-party certified laboratory.

## STAFF REPORT

DATE: May 8, 2012  
SUBJECT: GVRBA Annual Budget  
FROM: Tom Kent, Deputy Director of Public Works  
Date of Meeting: May 14, 2012

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### RECOMMENDATION

The Utilities Department recommends that the City Council approve the GVRBA annual budget for fiscal year 2012-13. The GVRBA Board has reviewed and approved this budget at its regularly scheduled meeting held on March 22, 2012.

### SUSTAINABILITY CRITERIA

#### Environmental Quality

The GVRBA provides biosolids processing for the City of Wyoming and the City of Grand Rapids. The current GVRBA practices provide for beneficial reuse of nutrients and the organic matter contained in biosolids through farm land application and through the generation of methane gas for subsequent use in power generation at local landfills. These are sustainable practices that reduce the use of fossil fuels and newly produced fertilizers.

#### Social Equity

By developing and providing for recycling and long-term, sustainable, regional solutions to waste management challenges, we are providing current benefits to all members of society as well as working on solutions to the challenges of future generations.

#### Economic Strength

The GVRBA was established in 2004, when each partner City was at a point where new solids handling capabilities were necessary and an investment in a jointly owned and operated facility was less costly and more efficient than building separate solids handling facilities. This demonstration of intergovernmental cooperation has proven to be beneficial to each partner.

This past year, the GVRBA Operations Team has successfully optimized dewatering system performance and reduced the overall costs of operating the biosolids processing equipment and facilities by using a LEAN transformation process. Additionally, the flexibility of having options for processing solids during the winter months has decreased Wyoming's operating costs for the storage, mixing and odor scrubbing of solids and has also allowed us to continue to enhance the overall quality and consistency of the biosolids product.

## DISCUSSION

The GVRBA Operations Team recently completed preparation of the GVRBA budget for fiscal year 2012-13 (attached). In summary, recently awarded competitive bids for trucking and landfill services were significantly higher with increases of 23% and 31%, respectively. Polymer costs are projected to be about 7% higher and the overall Wyoming O&M costs for the pump-house and pipeline facilities are expected to rise by about 14%. While these individual line items are more costly, the operational efficiencies gained this past year have resulted in an overall projected cost of processing biosolids at \$360/dry ton, up only 2.9 % from the current cost of \$350/dry ton.

	A	B	C	D	E	F
1	<b>Information</b>					
2	Annual Biosolids Dry Tons			FY2013	YTD	
3	GRWWTP					
4	Amount sent to municipal solid waste landfill			12,313.1	-	0%
5	<i>GRWWTP Sub-Total</i>			<u>12,313.1</u>	-	0%
6	WCWP					
7	Amount sent to municipal solid waste landfill			1,634.4	-	0%
8	Amount applied to land in bulk form			5,620.0	-	0%
9	<i>WCWP Sub-Total</i>			<u>7,254.4</u>	-	0%
10	<b>Total</b>			<b>19,567.5</b>	-	0%
11	Partner Percentage of Total					
12	GRWWTP			62.86%	0.00%	0%
13	WCWP			37.14%	0.00%	0%
14	Annual Debt Service			\$ 2,095,071.88		
15	Dry Ton Rate			\$ 360.16	#DIV/0!	#DIV/0!
16	<b>Revenue</b>					
17	Cash Balance					
18						
19	Operations (Subfund 592)			\$ 1,214,810.74		
20	Construction (Subfund 593)			\$ -		
21	<i>Cash Balance Total</i>			\$ 1,214,810.74		
22	Revenue Requirements			\$ 7,047,431.88		
23	Partner Share of Revenue Requirements					
24	GRWWTP (Monthly = \$369,167.97)			\$ 4,430,015.68	\$ -	0%
25	WCWP (Monthly = \$218,118.02)			\$ 2,617,416.20	\$ -	0%
26	<b>Expenses</b>					
27	728 Supplies					
28	Polymer			\$ 775,000.00	\$ -	0%
29	Miscellaneous			\$ 120,000.00	\$ -	0%
30	<i>Supplies Sub-Total</i>			<u>\$ 895,000.00</u>	\$ -	0%
31	818 Contractual Services					
32	Trucking			\$ 400,000.00	\$ -	0%
33	Landfill			\$ 985,000.00	\$ -	0%
34	Land Application			\$ 1,350,000.00	\$ -	0%
35	GRWWTP O&M Segments 1 & 4			\$ 720,294.00	\$ -	0%
36	Financial Processing (Grand Rapids Comptrollers)			\$ 5,000.00	\$ -	0%
37	WCWP O&M Segments 2 & 3			\$ 98,120.00	\$ -	0%
38	Administration Services (Legal/Audit/Insurance)			\$ 35,000.00	\$ -	0%
39	Centrifuge Service Agreement (Siemens)			\$ 6,800.00	\$ -	0%
40	<i>Contractual Services Sub-Total</i>			<u>\$ 3,600,214.00</u>	\$ -	0%
41	943 Equipment Rental or Lease					
42	WCWP Storage Tanks			\$ 417,146.00	\$ -	0%
43	<i>Equipment Rental or Lease Sub-Total</i>			<u>\$ 417,146.00</u>	\$ -	0%
44	945 Land Rental or Lease					
45	PDR Program			\$ 40,000.00	\$ -	0%
46	<i>Land Rental or Lease Sub-Total</i>			<u>\$ 40,000.00</u>	\$ -	0%
47	Debt Service					
48	GRWWTP			\$ 1,316,962.18	\$ -	0%
49	WCWP			\$ 778,109.70	\$ -	0%
50	<i>Debt Service Sub-Total</i>			<u>\$ 2,095,071.88</u>	\$ -	0%
51						
52	<b>Expenses Total</b>			<b>\$ 7,047,431.88</b>	<b>\$ -</b>	<b>0%</b>
53	GRWWTP = City of Grand Rapids Wastewater Treatment Plant			WCWP = City of Wyoming Clean Water Plant		
54	MDEQ = Michigan Department of Environmental Quality			O&M = Operation and Maintenance		
55	GVRBA = Grand Valley Regional Biosolids Authority			PDR = Purchase of Development Rights		

## STAFF REPORT

Date: May 7, 2012  
Subject: Kent County Dispatch Authority  
From: Timothy H. Smith, CPA, Finance Director  
Meeting Date: May 21, 2012

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### **Recommendation:**

Approval of service agreement between Kent County Dispatch Authority and the City of Wyoming when presented for Council approval.

### **Sustainability Criteria:**

Environmental Quality – Does not significantly impact this criterion.

Social Equity – Does not significantly impact this criterion.

Economic Strength – Expansion of cooperation/consolidation efforts

### **Discussion:**

Kent County Dispatch Authority (KCDA) is an independent authority comprised of various municipal entities in the County of Kent, Michigan. In February 2008, the Kent County Board of Commissioners approved a request by the Dispatch Authority to levy a 45 cent surcharge on communication services that are capable of accessing 911, beginning July 1, 2008. The surcharge is authorized by State statute to be levied through December 31, 2014. Funding the Authority through a surcharge enables the Authority to implement technical initiatives that will enhance the delivery of 911 services to citizens as well as to the responding police, fire, and EMS agencies without requiring more funds from local units of government.

KCDA has been using Kent County to perform administrative services on its behalf. Kent County has decided that they no longer wished to provide administrative support; therefore, KCDA issued an RFP to find an entity to provide these services. The attached document issued by the City of Wyoming's Finance Department provides more detailed information relating to the services to be provided.

The City viewed bidding on KCDA's proposal as an opportunity to foster cooperation and consolidation efforts with other municipalities along with providing another item to list in the City's EVIP report. Often times the thought is to shed work by outsourcing; however, in this case, the City is attempting to generate revenue by using existing staff and technology to provide the services to KCDA. This provides a basis for building a financial services organization that could conceivably result in the consolidation of financial services with other governmental agencies.

With the approval of City Manager Curtis Holt, the City's Finance Department issued the response to the RFP. As noted in the attached letter from the Michael Young, City Manager, City of Rockford to Curtis Holt, KCDA's Chair, we were the successful bidder to provide these services. The contract is expected to commence July 1, 2012.

**Budget Impact:**

The services are anticipated to generate an additional \$12,000 of revenue that will be recorded in a separate revenue account without increasing the Finance Departments expenditures beyond the amount currently budgeted.

*Proposal to Provide Financial Services to  
Kent County Dispatch Authority*

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*City of Wyoming  
1155 28<sup>th</sup> St. SW  
Wyoming, MI 49509*

*Contact:  
Timothy Smith, CPA, CGMA  
Finance Director  
(616) 530-3170*

MAYOR  
Jack A. Poll

AT-LARGE COUNCILMEMBER  
Sam Bolt

AT-LARGE COUNCILMEMBER  
Kent Vanderwood

AT-LARGE COUNCILMEMBER  
Daniel R. Burrill

1ST WARD COUNCILMEMBER  
William A. VerHulst

2ND WARD COUNCILMEMBER  
Richard K. Pastoor

3RD WARD COUNCILMEMBER  
Joanne M. Voorhees

CITY MANAGER  
Curtis L. Holt

March 27, 2012

Kent County Dispatch Authority  
c/o Kent County Administration Building  
300 Monroe Avenue NW  
Grand Rapids, Michigan 49503-2289

Thank you for allowing us the opportunity to propose our service to the Kent County Dispatch Authority for your consideration to serve as financial consultants. We believe we understand your objectives for this engagement and that we can provide the solution that will ensure your objectives are met.

The City of Wyoming has received the Government Finance Officers Association (GFOA) Certificate of Achievement in Financial Reporting for twenty-two years, and has submitted its first Popular Annual Financial Report (PAFR) for a GFOA award. Our current undertaking is to qualify for the GFOA Budget award for the 2012-2013 budget book which is currently being prepared.

From 1959 when the City of Wyoming was first incorporated until today the City has grown and developed into a community of 72,125 as of the 2010 census with thriving water and sewer facilities which supply these functions to other communities in an air of cooperation and economies of scale. The City presently has 39 funds with an estimated combined budget of \$100 million, one blended and five discretely presented component units plus one 501(c) 3 entity that it accounts for. This includes all required mandated reporting.

We are available to answer any questions you may have on this proposal and can be reached at [smitht@wyomingmi.gov](mailto:smitht@wyomingmi.gov) or (616) 530-3170 Monday thru Thursday from 7:00 AM to 5:00 PM. Our address is 1155 28<sup>th</sup> Street, P.O. Box 905, Wyoming, Michigan, 49509-0905

Thank you for your consideration,



Timothy H. Smith, CPA, CGMA  
Finance Director  
City of Wyoming

**Tim Smith, CPA, CGMA**  
**Finance Director**  
**11 yrs with City**

**Nancy Bazan, CPA, CGFM, CITP,  
CGMA**  
**Senior Accountant**  
**6 yrs with City**

**AP, AR, Audit, GL, Bonding,  
All Outside Reporting**

**Karen Sterk**  
**Accountant**  
**30 yrs with City**

**Budget, Grants, Payroll,  
Single Audit**

**Patty Goddard - Account Clerk III**  
**21 yrs with City**

**AR, Bank Rec's, Insurance, Taxes,  
Record Retention, Grants, Payroll,  
Investments, Fixed Assets, Vendors**

**Ana Mendibur - Account Clerk II**  
**22 yrs with City**

**Payroll, Work Comp, Grants,  
Pension, Unemployment**

**Chris LaRue - Account Clerk II**  
**19 yrs with City**

**AP, Payroll Changes,  
Motor Pool Chargeable Labor,  
Journal Entries**

**Cheryl Van't Hof - Account Clerk I**  
**6 yrs with City**

**AP, Payroll Changes,  
Travel & Training**

## Requirements of the RFP and Steps the City will take:

- 1. Financial Policy Assistance** – On a routine basis, the City updates all of its policies and procedures to make sure they conform to current account best practices and would welcome the opportunity to participate in the Authority's process assisting the Authority's executive director and Board in ensuring that the Authority's policies and procedures conform to current best practices.
- 2. Banking & Investment Services** – By using a Pooled Investment fund, the City uses one primary bank account through Fifth-Third Bank and one primary investment account through PFM. Interest is distributed to the various City funds on a monthly basis using the amount of cash in each account. Bank and Investment accounts are normally balanced by the 5<sup>th</sup> working day of the month. The intent would be to fold KCDA's cash in with the City's pooled cash account thereby maximizing potential investment returns to KCDA.
- 3. Monthly Write-Ups** – Currently, the City provides monthly statements, not only to the City Council, but also to the discretely presented component units. These reports are available as soon as all monthly charges have been accumulated. New software is currently being reviewed to enhance monthly reporting. If selected by KCDA as the service provider, the same methodology would be applied to obtain reports necessary for KCDA. At the same time, as the Executive Director would have electronic access to KCDA financial information maintained on the City's financial system, the executive director would be able to print a variety of reports that he/she felt necessary.
- 4. Cash Flow Projections** – The City maintains cash flow projections on City cash flow. These cash flow projections are constantly updated. KCDA cash flow would be projected using the same modeling with this information being available to the Executive Director as requested or needed.
- 5. Capital Assets** – Capital Assets are recorded and depreciated on an annual basis, which conforms to the City policy. KCDA capital assets would be capitalized and depreciated based upon the policy adopted by KCDA in the City's computerized accounting system.
- 6. Accounts Payable** – Invoices are continually entered in the New World System after they are reviewed for accuracy. Payments are made on a weekly basis. The software will allow for KCDA checks to be printed and ready for its signature. The KCDA executive director would have access to view activity once it is entered into the computer system.
- 7. Purchase Requisitions** – After doing a cost analysis of requisitions and purchase orders, it was found that the same result would be accomplished as to encumbering funds by both, but using only purchase order would be the most cost effective method. The City would follow the same process with KCDA activity.

8. **Accounts Receivable** – BS&A is currently being used for the creation and tracking of the City's accounts receivables. An interface is being developed by BS&A for the seamless transmission of the information into the New World System. Future KCDA receivable transactions would be recorded in the same manner and allow the executive director to review as deemed necessary.
9. **Auditing & Preparation of Financial Statements** – As noted earlier, the City has received awards for their financial statements for twenty-two years. The City has an outstanding reputation, with not only its auditors, but also with other governmental auditors, many of whom attend the same conferences as the City staff. The same staff would be involved with preparing for and assisting KCDA's auditors and would assist in preparing the work papers and financial statements, including the MD&A, for KCDA's financial statements.
10. **Budgets** – The preparation of the financial and capital budgets have been refined into a systematic process. The City would be able to help the Executive Director prepare the operating and capital budgets as much or little, as needed. Once approved, the budgets are entered into the financial system and to monitor activity.
11. **Federal, State & Local Tax Forms** – The City takes great pride in meeting all required deadlines. This includes annual financial filing, state reporting and tax returns. With two CPA's on staff, the City has in-depth knowledge of the reports. To keep current on changes various reporting requirements and accounting principles, the City staff belongs to various organizations, including, but not limited to:
  - American Institute of Certified Public Accountants (AICPA) – 2 members
  - Michigan Association of Certified Public Accountants (MACPA) – 1 member
  - Indiana Certified Public Accountants Society (INCPAS) – 1 member
  - Association of Government Accountants (AGA) – 3 members
  - Government Finance Officers Association (GFOA) – 3 members
  - Michigan Government Finance Officers Association (MGFOA) – 3 members
12. **Electronic Access** – A physical network connection is currently in place to facilitate the transfer of CAD data between KCDA dispatch centers and the City of Wyoming. Similar connectivity would also be used to provide access to the New World/Logos.Net financial system to the executive director. Access to the Logos financial system would be gained via web browser. Internet Explorer 7.0 or 8.0 is required.
13. **Attendance at KCDA/County Meetings** – City personnel would be available to attend the meetings and provide information to the KCDA Board of Directors as necessary.
14. **Detailed Reports** – The software the City uses has the capability of creating reports which show the detail by budget line, amendments, encumbrances, expenditures and available balances. Reports maybe downloaded into various reporting formats and modified as deemed necessary.

**15. Document Retention** – All documents at the City are scanned into an imaging system to reduce the amount of physical paper needed to be retained. A similar process would be used for KCDA invoices and other documents thus allowing the executive director on-line access to information.

**16. References** – As the City has not performed similar services to outside agencies in the past, it is difficult to provide references from outside agencies. Internally, we perform limited services to the following:

- Wyoming Downtown Development Authority  
Executive Director: Barbara VanDuren, Tel: (616) 530-7272
- Wyoming Greater Community Resource Alliance  
Executive Director: James Carmody, Tel: (616) 530-7310

## Fee Schedule

Bills will be rendered on a monthly basis with payments to be made upon review and approval of the Executive Director. These services would be \$1,000.00 monthly, which does include additional information you may need. You may contact us at any time.

## In Conclusion

We appreciate the opportunity to submit our proposal for your financial services. The City of Wyoming is committed to performing services in a timely, accurate manner in accordance to Generally Accepted Accounting Procedures (GAAP) and employing industry best practices. We would welcome the opportunity to discuss this further if you have any questions.

Sincerely,

A handwritten signature in purple ink, appearing to read "Timothy H. Smith". The signature is stylized and cursive.

Timothy H Smith, CPA, CGMA



# CITY OF ROCKFORD

Steve J. Jazwiec, Mayor  
Michael F. Young, City Manager

PO Box 561 Rockford, Michigan 49341-0561 T 616-866-1537 F 616-866-6406 www.rockford.mi.us

May 7, 2012

Curtis Holt, Chairman  
Kent County Dispatch Authority  
City of Wyoming  
1155 28<sup>th</sup> St SW  
P O Box 905  
Wyoming MI 49509

Dear Curtis:

I am pleased to present the recommendations of the Kent County Dispatch Authority's Ad-hoc Committee that was charged with reviewing the proposals that were submitted for fiduciary services on behalf of the Authority. The Committee received five (5) proposals on March 12, 2012. As part of this process, we also developed a scoring matrix used to evaluate the proposals that were submitted. The scoring matrix included seven (7) criteria with various weights based on the importance of the criteria, as determined by the Committee. The criteria receiving the highest weight included the pricing methodology and the recommendation as submitted by the respondents for meeting the criteria contained in the RFP.

Proposals were received by three (3) private accounting firms and two (2) municipal corporations. Proposals were received from Willis and Jurasek, PC, Robert W. Schellenberg, Douglas Wohlberg, CPA, the City of East Grand Rapids and the City of Wyoming. In addition to reviewing the pricing methodologies, emphasis was placed on the respondent's ability to provide appropriate security for electronic transactions and the sophistication of those transactions. Emphasis was also put on the number and ability of the staff that would be assigned to the fiduciary.

**RECOMMENDATION: After significant discussion and review of the five (5) proposals, it is the recommendation of the Committee that we enter into a Service Agreement with the City of Wyoming to provide fiduciary services to the Kent County Dispatch Authority.**

I would be happy to answer any questions that the Executive Committee or the full Board may have regarding this recommendation. Thank you for the opportunity to be part of this project and please do not hesitate to contact me should you have any questions.

Curtis Holt, Chairman  
May 7, 2012  
Page two

Sincerely,

CITY OF ROCKFORD

A handwritten signature in black ink, appearing to read "Michael F. Young", with a stylized flourish at the end.

Michael F. Young  
City Manager

cc: Ron Bonno, Executive Director, Kent County Dispatch Authority  
Dennis Hoemke, Supervisor, Algoma Township

RESOLUTION NO. \_\_\_\_\_

RESOLUTION TO ACCEPT A PROPOSAL FOR  
AUDIT SERVICES

WHEREAS:

1. As detailed in the attached Staff Report from the City's Finance Director, proposals were received to provide Audit Services for fiscal years 2012, 2013, 2014 with possible extension to fiscal years 2015 and 2016.
2. It is recommended the City Council accept the low proposal received from Rehmann Robson in the amounts as shown on the attached Staff Report.
3. Funds for the Audit Services are available in the General Fund Finance Budget account #101-201-20100-860000.

NOW, THEREFORE, BE IT RESOLVED:

1. The City Council does hereby authorize acceptance of the proposal to perform Audit Services from Rehmann Robson for fiscal years 2012, 2013, 2014 with possible extension to fiscal years 2015 and 2016.
2. The City Council does hereby authorize the fee to consent to use of audit in the official statements for bond issuance of \$1,000 for each issue during the period audit service are used.

Moved by Councilmember:

Seconded by Councilmember:

Motion Carried        Yes  
                                  No

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on:

ATTACHMENTS:  
Staff Report  
Proposal

\_\_\_\_\_  
Heidi A. Isakson, Wyoming City Clerk

Resolution No. \_\_\_\_\_

## STAFF REPORT

Date: May 7, 2012

Subject: Audit Services for Fiscal Years 2012, 2013 and 2014 with possible extension to Fiscal Years 2015 and 2016

From: Timothy H. Smith, CPA, Finance Director

Meeting Date: May 21, 2012

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### RECOMMENDATION:

I recommend that the City accept the low proposal from Rehmann Robson, in the amount of:

Fiscal Year	Amount (1)	Bonding Cost	Other (1)
June 30, 2012	28,600	1,000	At Standard Hourly
June 30, 2013	29,400	1,000	Rates
June 30, 2014	30,200	1,000	
June 30, 2015	31,200	1,000	
June 30, 2016	32,200	1,000	

See attached for detailed breakdown, rates and other information.

For audit services, single audit services, assistance in the preparation of the Comprehensive Annual Report, and bond review when bonds are issued.

Report reproduction will be billed separately.

### SUSTAINABILITY CRITERIA:

Environmental Quality – Does not significantly impact this criterion.

Social Equity – Does not significantly impact this criterion.

Economic Strength – By soliciting proposals for this service, the Finance Department is insuring that we get the best value for this necessary service. This results in the City receiving a quality audit at the lowest rate possible for our Citizens.

### DISCUSSION:

Every fiscal year, the City is required to have its financial records audited by a firm of Certified Public Accounts. Federal grants are subject to Single Audit procedures as required by the Office of Management and Budget with a report on Federal Expenditures being issued. The City also submits its audit report to the Government Finance Officers Association as part of GFOA's excellence in financial reporting program. As a result of staff constraints, it is anticipated that the auditors will continue to play a major role in the financial statement preparation.

This process started in early February with the issuance of a Request for Qualification (RFQ). The team of Andrea Boot, Treasurer, Paul Gerndt, Information Technology Supervisor, Nancy Bazan, Senior Accountant, Rebecca Rynbrandt, Director of Community Services, and Thomas Kent, Deputy Director of Public Works was assembled to assist me in the process of designing a matrix that would be used to evaluate the proposals when received, and select a firm to perform the audit and other work as needed.

Twenty-four (24) bids were sent out and five (5) proposals were received. Using a matrix to compare the proposals, each member of the team reviewed the proposals. The team met and discussed the individual results of their reviews and concluded the top two firms, BDO USA LLP and Rehmann Robson, be subjected to further follow-up including reference checking. Not only were calls made to check references: calls were also made to local cities that we were aware used the firms' services.

Each of the firms was invited in for an additional interview to go over their RFP and answer questions raised by the review team members. Both firms were found to be well qualified and staffed by very experienced individuals making the choice between the two firms very difficult for the team.

**BUDGET IMPACT:**

Adequate funds were budgeted in account 101-201-20100-860000.

# *Delivering Assurance*

A cost proposal for professional services for  
**City of Wyoming**

March 6, 2012

Submitted by:

Stephen W. Blann, CPA, CGFM, Principal  
Rehmann  
2330 East Paris Ave. SE  
Grand Rapids, MI 49546  
616.975.4100  
stephen.blann@rehmann.com

# Your investment.

Based on our discussions and your request for proposal, the scope of the engagement and estimated fees are as follows:

**APPENDIX B  
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES  
FOR THE CITY OF WYOMING  
AUDIT OF THE  
2012  
FINANCIAL STATEMENTS**

	Estimated Hours	Hourly Rates		Total
		Standard	Quoted	
Partner in Charge	36	\$ 375	\$ 225	\$ 8,100
Audit Manager	96	185	120	11,520
Audit Staff	192	125	80	15,360
Clerical/Support	<u>36</u>	<u>100</u>	<u>65</u>	<u>2,340</u>
	<u>360</u>			37,320
Courtesy Discount (see note below)				(9,330)
Travel and related out-of-pocket costs				<u>610</u>
Maximum not-to-exceed fee				<u>\$ 28,600</u>

We consider the City of Wyoming to be an ideal client for our firm for several reasons. First, the timing of your audit (mid-September through early-October) complements our existing mix of client responsibilities nicely. Second, your close geographic proximity to our office reduces our travel costs, and the time typically spent commuting to and from our clients. Finally, the multi-year term of your proposed contract is very attractive to us, because it allows us to amortize the first-year “start-up” costs (which can amount to up to 20% of the engagement budget) over a longer time period. Accordingly, we have included a substantial discount from our standard rates as our way of showing our commitment to developing a long and mutually beneficial relationship with the City.

Fee to consent to use of audit in official statements for bond issuance \$1,000.

**APPENDIX B**  
**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**  
**FOR THE CITY OF WYOMING**  
**AUDIT OF THE**  
**2013**  
**FINANCIAL STATEMENTS**

	Estimated Hours	Hourly Rates		Total
		Standard	Quoted	
Partner in Charge	30	\$ 375	\$ 232	\$ 6,960
Audit Manager	80	185	124	9,920
Audit Staff	160	125	82	13,120
Clerical/Support	<u>30</u>	<u>100</u>	<u>67</u>	<u>2,010</u>
	<u>300</u>			32,010
Courtesy Discount (see note below)				(3,200)
Travel and related out-of-pocket costs				<u>590</u>
Maximum not-to-exceed fee				<u>\$ 29,400</u>

We consider the City of Wyoming to be an ideal client for our firm for several reasons. First, the timing of your audit (mid-September through early-October) complements our existing mix of client responsibilities nicely. Second, your close geographic proximity to our office reduces our travel costs, and the time typically spent commuting to and from our clients. Finally, the multi-year term of your proposed contract is very attractive to us, because it allows us to amortize the first-year “start-up” costs (which can amount to up to 20% of the engagement budget) over a longer time period. Accordingly, we have included a substantial discount from our standard rates as our way of showing our commitment to developing a long and mutually beneficial relationship with the City.

Fee to consent to use of audit in official statements for bond issuance \$1,000.

**APPENDIX B**  
**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**  
**FOR THE CITY OF WYOMING**  
**AUDIT OF THE**  
**2014**  
**FINANCIAL STATEMENTS**

	Estimated Hours	Hourly Rates		Total
		Standard	Quoted	
Partner in Charge	30	\$ 375	\$ 239	\$ 7,170
Audit Manager	80	185	128	10,240
Audit Staff	160	125	84	13,440
Clerical/Support	<u>30</u>	<u>100</u>	<u>69</u>	<u>2,070</u>
	<u>300</u>			32,920
Courtesy Discount (see note below)				(3,290)
Travel and related out-of-pocket costs				<u>570</u>
Maximum not-to-exceed fee				<u>\$ 30,200</u>

We consider the City of Wyoming to be an ideal client for our firm for several reasons. First, the timing of your audit (mid-September through early-October) complements our existing mix of client responsibilities nicely. Second, your close geographic proximity to our office reduces our travel costs, and the time typically spent commuting to and from our clients. Finally, the multi-year term of your proposed contract is very attractive to us, because it allows us to amortize the first-year “start-up” costs (which can amount to up to 20% of the engagement budget) over a longer time period. Accordingly, we have included a substantial discount from our standard rates as our way of showing our commitment to developing a long and mutually beneficial relationship with the City.

Fee to consent to use of audit in official statements for bond issuance \$1,000.

**APPENDIX B**  
**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**  
**FOR THE CITY OF WYOMING**  
**AUDIT OF THE**  
**2015**  
**FINANCIAL STATEMENTS**

	Estimated Hours	Hourly Rates		Total
		Standard	Quoted	
Partner in Charge	30	\$ 375	\$ 246	\$ 7,380
Audit Manager	80	185	132	10,560
Audit Staff	160	125	87	13,920
Clerical/Support	<u>30</u>	<u>100</u>	<u>71</u>	<u>2,130</u>
	<u>300</u>			33,990
Courtesy Discount (see note below)				(3,400)
Travel and related out-of-pocket costs				<u>610</u>
Maximum not-to-exceed fee				<u>\$ 31,200</u>

We consider the City of Wyoming to be an ideal client for our firm for several reasons. First, the timing of your audit (mid-September through early-October) complements our existing mix of client responsibilities nicely. Second, your close geographic proximity to our office reduces our travel costs, and the time typically spent commuting to and from our clients. Finally, the multi-year term of your proposed contract is very attractive to us, because it allows us to amortize the first-year “start-up” costs (which can amount to up to 20% of the engagement budget) over a longer time period. Accordingly, we have included a substantial discount from our standard rates as our way of showing our commitment to developing a long and mutually beneficial relationship with the City.

Fee to consent to use of audit in official statements for bond issuance \$1,000.

**APPENDIX B**  
**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES**  
**FOR THE CITY OF WYOMING**  
**AUDIT OF THE**  
**2016**  
**FINANCIAL STATEMENTS**

	Estimated Hours	Hourly Rates		Total
		Standard	Quoted	
Partner in Charge	30	\$ 375	\$ 253	\$ 7,590
Audit Manager	80	185	136	10,880
Audit Staff	160	125	90	14,400
Clerical/Support	<u>30</u>	<u>100</u>	<u>73</u>	<u>2,190</u>
	<u>300</u>			35,060
Courtesy Discount (see note below)				(3,510)
Travel and related out-of-pocket costs				<u>650</u>
Maximum not-to-exceed fee				<u>\$ 32,200</u>

We consider the City of Wyoming to be an ideal client for our firm for several reasons. First, the timing of your audit (mid-September through early-October) complements our existing mix of client responsibilities nicely. Second, your close geographic proximity to our office reduces our travel costs, and the time typically spent commuting to and from our clients. Finally, the multi-year term of your proposed contract is very attractive to us, because it allows us to amortize the first-year “start-up” costs (which can amount to up to 20% of the engagement budget) over a longer time period. Accordingly, we have included a substantial discount from our standard rates as our way of showing our commitment to developing a long and mutually beneficial relationship with the City.

Fee to consent to use of audit in official statements for bond issuance \$1,000.

The above fees are based on the assumption that the City will provide a reasonably adjusted trial balance at the beginning of fieldwork and that current auditing standards remain applicable. Should the City require assistance in obtaining a reasonably adjusted trial balance or auditing standards significantly change making our estimate unreasonable, we will work with the City in arriving at a new fee that is commensurate the additional work and hours required prior to performing such services.

This proposal is based on professional standards issued as of the date of our proposal (Statements on Auditing Standards through SAS 125 and Statements of the Governmental Accounting Standards Board through GASB 64). The fees quoted for years subsequent to 2012 may be subjected to renegotiation if significant changes in professional standards or reporting requirements make our initial estimate of hours to complete the audit unrealistic. If any such changes occur, we will discuss the reasons with you and arrive at a new fee arrangement.

Our fees for the single audit, which are included in the pricing table above, contemplate a single audit with up to 2 major programs. Additional major programs, if required, would be billed separately at \$1,500-\$2,000 each, depending on the size and complexity of the related compliance requirements to be tested. At the City's request, we can assist in compiling the financial data for the F-65 for a fee of \$750.

### Budgeted Hours

When it comes to budgeting an audit, our philosophy is not to schedule “more” hours, but rather “better” hours. To that end, we have developed our schedule of estimated hours calling for a full 50% of the total audit hours to be invested by our executives and supervisory staff. While we certainly will also leverage the work of lesser experienced staff as well, our approach is to put our best people in the field, where they can have the most significant impact on the timeliness and efficiency of our audit procedures. Accordingly, we do not feel the need to inflate our projected hours in proposals, or try to make it appear that we are investing additional nonproductive hours by inexperienced or under-qualified staff. Instead, we strive to staff every audit engagement as efficiently as possible with true industry experts who can complete the required audit procedures quickly and accurately, with a minimal disruption to your regular schedules.

### Due Diligence - Official Statements

Following guidance issued by the AICPA and Government Finance Officers Association, this service is optional. Unless you specifically request written consent from our firm, professional standards presume that we are not associated with such documents, and accordingly, we are not required to perform any procedures or incur any additional costs for the city. Of course, should you choose to request such written consent, we will be willing to provide it, at a cost of \$1,000 per issue.

## No Surprise Invoices

We strive to deliver business wisdom for a fee that is fair, reasonable and representative of the value delivered. Our approach to establishing fees is to discuss expected outcomes and the proposed services to be provided before work is done. This reduces the possibility of surprises when invoices are ultimately delivered. If services are required beyond the scope of this engagement, we will discuss it with you before beginning any work, and provide a cost estimate for those additional services.

In accordance with our firm's standard billing policy, 45% of the fee will be due at the beginning of the fieldwork, and 45% will be due when the draft reports are delivered at completion of the fieldwork. The final 10% is due upon delivery of the final reports.

## Hourly Rates

Fees for special services are determined based on the amount of professional time required to complete the project and the level of our personnel involved. Any extension of services will be discussed in advance of performance to ensure agreement on scope and on fees. Our standard hourly rates for 2012 are as follows:

<b>Level</b>	<b>Range</b>
Principals	\$375
Senior Managers	\$225
Managers	\$150 - \$185
Seniors	\$125 - \$150
Staff	\$100 - \$125

### More Service

We make it a priority to keep you informed about what we're doing for you and what you're paying for it. Our transparent billing practices help clients clearly evaluate the value our services provide.

## INTERLOCAL AGREEMENT

### (SILVER LINE BUS-RAPID TRANSIT PROJECT)

This INTERLOCAL AGREEMENT ("Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012 by and between the INTERURBAN TRANSIT PARTNERSHIP, a Public Authority incorporated under the Public Transportation Authority Act, P.A., 196 of 1986, ("The Rapid"), the CITY OF GRAND RAPIDS, a Michigan municipal corporation ("Grand Rapids"), the CITY OF KENTWOOD, a Michigan municipal corporation ("Kentwood"), and the CITY OF WYOMING, a Michigan municipal corporation ("Wyoming" and together with Grand Rapids and Kentwood, collectively, the "Cities" and individually "City").

*WHEREAS*, The Rapid and the Cities have entered into a Memorandum of Understanding dated as of June 9, 2011 ("MOU") which describes the intention of the parties to cooperate in the development of the Silver Line Bus Rapid Transit ("BRT") project, a 9.6 mile, approximately \$40 million rapid transit bus service that will follow a route through the Cities as more particularly described in the attached Exhibit A ("Silver Line" or "Project");

*WHEREAS*, the Project budget includes federal funding through the Federal New Starts/Small Starts project grant program from the Federal Transit Administration ("FTA") to assist in financing the costs of the Silver Line ("FTA Grant");

*WHEREAS*, the Project budget includes state funding from the State of Michigan (the "State") to assist in financing the costs of the Silver Line ("State Grant");

*WHEREAS*, it is the intent of the parties to establish duties, responsibilities and rights of each party during the design, construction and operational phases of the Silver Line;

*WHEREAS*, the Project is being done in the interest of public convenience and safety and will benefit the citizens and the economy of the Cities and the surrounding region;

*WHEREAS*, the Cities and The Rapid, as public agencies, are empowered by the Urban Cooperation Act of 1967, MCLA § 124.501 *et seq.* to exercise jointly any power, privilege, or authority that that they share in common and that each might exercise separately;

*NOW, THEREFORE*, The Rapid and the Cities agree as follows:

## ARTICLE I

### DEFINITIONS

1.1 In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“*BAC*” shall mean the BRT administrative committee established in Section 2.5 of this Agreement.

“*Base Plans*” means the Station 30% Base Plans and associated Design Manual dated March, 2012 prepared by The Rapid.

“*BRT*” means bus rapid transit.

“*Facilities*” means all buildings, streets, utilities, parcels, rights of way, medians, easements and premises, permitted areas and leased parcels or buildings owned and operated by one or more of the Cities.

“*Final Project Design*” means the final plans and specifications for the Project as developed and approved by the TAC.

“*Force Majeure*” shall have the meaning set forth in Section 3.19.

“*Maintenance*” means all reasonable costs associated with the day to day and seasonal upkeep of long term retention, preservation and restoration.

“*Priority*” means the advantage given to The Rapid’s BRT vehicles operating within the Project limits to control traffic signals, intersection by intersection, and advance through intersections before cross traffic (with the exception of emergency vehicles properly equipped with communication equipment) for the purpose of achieving travel time savings and more frequent service.

“*Project*” means the design, construction and implementation of the Silver Line BRT project, a 9.6 mile, approximately \$40 million rapid transit bus service that will follow a route through the Cities as more particularly described in the attached Exhibit A.

“*Project Budget*” means the total estimated costs of the Project, which shall not exceed the amount of funding available for the Project, including the FTA Grant and any additional funding sources that are committed to the Project after the date of this Agreement. The initial itemized Project Budget is attached to this Agreement as Exhibit B. The Project Budget is subject to change based upon the Final Project Design, and any change in the funding sources for the Project.

"*Project Corridor*" means the route of the Silver Line as depicted on attached Exhibit A-1.

"*Project Cost*" means the total cost of designing and constructing the Project not to exceed \$39.874 Million Dollars, unless additional funding sources are committed to the Project after the date of this Agreement.

"*Project Schedule*" means the schedule for construction of the Project.

"*Third Party Utility Relocation Contracts*" shall be defined as provided in Section 2.2.2(b) of this Agreement.

"*TAC*" shall have the meaning described in Section 2.1 of this Agreement.

"*Traffic Signal Priority*" or "*TSP*" means a comprehensive traffic control system consisting of signal heads, pedestrian signals, and traffic control signs, all interconnected to interact in a coordinated fashion. Said system must be of a type that is compatible with the Cities' integrated corridor and downtown signal system.

"*Utility Relocation Plan*" shall have the meaning described in Section 2.2.2(a) of this Agreement.

## ARTICLE II

### DESIGN AND IMPLEMENTATION OF THE PROJECT

2.1 TAC. All elements of the Project's design and construction shall be developed, prepared and overseen by The Rapid, subject to the review and approval of a technical advisory committee composed of planning and engineering staff of the Cities and the planning staff of The Rapid ("TAC"). Each of the Cities and The Rapid shall designate two (2) persons to serve as members of the TAC within thirty (30) days after the date of this Agreement.

2.1.1 Meetings. The TAC shall meet as necessary to review and approve the Final Project Design, and any changes to the Final Project Design that arise after the construction of the Project begins. The members of the TAC shall elect a chairperson to preside over the meetings and a secretary to record the minutes of the meetings, from among its members at its initial meeting. After the initial meeting, the Chairperson shall schedule meetings by advance notice to all of the members. If a member is unable to attend a scheduled meeting, that member may, by advance notice to the other members, appoint a designee having equal authority to attend the meeting in his or her place. A meeting may not be convened unless a quorum consisting of not less than one representative of each of the Cities and The

Rapid, or their respective designees, are present. The Base Plans shall be the accepted starting point for the TAC's work in developing the Final Project Design. It is the intent of the parties that development of the Final Project Design shall entail resolving design issues arising in connection with the implementation of the Base Plans, including, without limitation, the precise beginning and ending points of dedicated lanes within each City, but shall not involve fundamental changes to the Base Plans. The Final Project Design (including, without limitation, final BRT Station design, final TSP system design, and final roadway design) shall be approved by the TAC no later than November 30, 2012. The TAC shall approve each element of the Final Project Design by general consent of all members of the TAC or their respective designees in attendance at a meeting scheduled and convened in accordance with this section. The Rapid shall appoint a project engineer who shall be responsible for consulting with the TAC, and implementing all aspects of the Final Project Design.

2.1.2 Authority. The TAC shall have full power and authority to approve the Final Project Design for submission to the Cities for any required final planning or other approvals and permits. Subsequent to receipt of all TAC, local and other required approvals, the TAC shall resolve all technical issues arising with the construction of the Project; provided, however, that the TAC is not authorized to modify the Final Project Design without following the same process used in adopting the Final Project Design. Notwithstanding the foregoing, the TAC shall not approve a Final Project Design which:

- (a) has an aggregate estimated cost in excess of the Project Budget, or
- (b) violates or is inconsistent with any requirement of the FTA Grant or the State Grant, or
- (c) violates any applicable laws or local ordinances.

2.1.3 Duration. Upon completion of construction of the Project and formation of the BAC, the TAC shall be disbanded.

2.2. Construction of the Project. Except as otherwise provided below, the Rapid shall consult with the TAC and seek the approval of the TAC and the Cities as required, purchase all materials, perform all site work, hire all contractors and consultants, administer all construction contracts, administer the FTA Grant and the State Grant, and take all other actions necessary to complete the construction of the Silver Line in accordance with the Final Project Design approved by the TAC.

2.2.1 Project Milestones. The TAC shall approve the Project Schedule after approving the Final Project Design. Modifications to deadlines set forth in the Project Schedule shall be permitted only for events of Force Majeure. The TAC shall use its reasonable best efforts to incorporate the following Project milestones into the Project Schedule:

(a) The Rapid shall acquire all required permits and approvals, including without limitation encroachment permits where applicable, required based upon the Final Project Design no later than December 15, 2012;

(b) To the extent required by the Final Project Design, utilities currently located within the Project Corridor shall be relocated in accordance with subsection 2.2.2 below as each BRT Station is constructed between January 1, 2013 and May 30, 2014;

(c) Construction of the Project shall be substantially completed no later than August 25, 2014;

(d) The TSP System shall be installed and operational no later than June 3, 2014;

(e) All testing of the Project Components and training of The Rapid personnel shall occur between June 3, 2014 and August 25, 2014.

(f) The Silver Line shall begin operations no later than September 1, 2014.

2.2.2 Relocation of Utilities. The Rapid shall work in collaboration with each of the Cities to relocate all utilities currently located beneath the proposed locations for BRT Stations to the extent required by the Final Project Design as provided in this Section, at The Rapid's sole cost and expense.

(a) The Rapid shall develop a plan and schedule for relocation work to be performed in any City ("**Utility Relocation Plan**") for review and approval by such City prior to commencing such work. Any changes to the Utility Relocation Plan that are inconsistent with the Final Project Design shall not be implemented unless reviewed and approved by the TAC and The Rapid.

(b) The Rapid shall be solely responsible to manage and cause the performance of each Utility Relocation Plan. The Cities shall use their best reasonable efforts to assist The Rapid in relocating utilities within their

jurisdictional boundaries. Each City shall be responsible for plan reviews associated with the relocation of utilities within that City's boundaries and the Cities shall assist The Rapid's project manager in facilitating the relocation of utilities within the public rights of way.

(c) The Rapid shall reimburse each City for all costs and expenses incurred by that City in providing its assistance with the relocation of utilities (whether public or private), including without limitation, charges for equipment, materials and labor at the City's standard rates for such work, all overhead charges, and all "out-of-pocket" expenses paid to third parties who are not employees of the City.

(d) The Rapid and the Cities shall use their reasonable best efforts to cause all Utility Relocation Plans concerning private utilities owned by third parties, to be implemented and paid for by those third parties. In this regard, the Cities will use their reasonable best efforts to exercise any rights they may have, by contract or otherwise, to prevent third party utility owner from rejecting, terminating or enjoining the work to be performed by The Rapid under the Utility Relocation Plans.

(e) The Rapid will use its reasonable best efforts to impose a daily penalty upon its contractors for failure to complete the utility relocation work in accordance with the Project Schedule, subject only to permitted delays based upon events of Force Majeure.

(f) The Rapid's Project engineer shall conduct the final inspection of all completed utility relocation work to ensure consistency with the Final Project Design.

2.2.3 TSP. The specifications for the TSP shall be determined by Grand Rapids in cooperation with the Cities of Kentwood and Wyoming. A TSP meeting Grand Rapids' specifications shall be procured by The Rapid, and installed and calibrated by Grand Rapids in accordance with the Project Schedule. After installation and calibration of the TSP, the TSP shall be tested jointly by Grand Rapids and The Rapid. All costs incurred by Grand Rapids in specifying, installing, calibrating and testing the TSP shall be reimbursed by The Rapid.

2.2.4 Coordination With Other Projects. The Cities of Kentwood and Wyoming are scheduling a road improvement project within the Project Corridor on Division Avenue between 54<sup>th</sup> Street and 60<sup>th</sup> Street for construction in 2014. Beyond this project, the Cities are not presently aware of any other municipal construction or repair projects scheduled or anticipated that may interfere with the

construction of the Project. The TAC shall be responsible for resolving scheduling conflicts and other issues presented by the above-referenced project and any other municipal construction or repair projects that arise during the construction of the Project. The parties' representatives on the TAC shall be their primary contacts for communications required to coordinate and prevent delays caused by such other municipal construction or repair projects.

2.2.5 Permitting. Without limiting the foregoing, the Project construction manager will be responsible to make application and submit drawings for building, electrical, or any other required permits in any City where a structure is to be constructed consistent with the Final Project Design.

2.3. Project Costs. The Rapid shall pay and be solely responsible for the Project Cost, along with all fees and expenses associated with the Final Project Design consistent with the Project Budget. Each City shall pay and be solely responsible for the cost and expense of all additional work it requests in writing which is not part of the Final Project Design. To the extent that The Rapid incurs costs or expenses for such additional work at the request of a City, that City shall reimburse The Rapid for such costs and expenses within thirty (30) days after the City's receipt of The Rapid's invoice and supporting documents.

2.4. Ownership of the Project. The Rapid shall hold title to all real property interests, if any, acquired as part of the Project or otherwise transferred by the Cities in connection with the Project, and shall hold title to all improvements, including the BRT Stations (but excluding improvements to public utilities and public rights of way required to support the Project), constructed in connection with the Project. Each City shall continue to own all public rights of way, utilities and public properties owned by that City as of the date of this Agreement.

2.5. Operation of the Project. The Rapid shall be solely responsible for the day to day operation of the Silver Line at its sole cost and expense. If issues regarding the operation of the Silver Line arise after construction of the Project is completed that require coordination between the Rapid and the Cities, a BRT administrative committee comprised of the chief executive officer of each of the Cities (Mayor or City Manager), the Chief Executive Officer of The Rapid, or their respective designees (the "BAC") shall render advice and assistance to The Rapid in resolving those issues. The manner in which those issues are resolved, however, shall be determined solely by the board of The Rapid.

2.5.1 Meetings. The BAC shall meet as often as necessary after construction of the Project is completed, to assure the efficient and effective operation of the Silver Line. The members of the BAC shall elect a chairperson to preside over the meetings, and a secretary to record the minutes of the meetings,

from among its members at its initial meeting. After the initial meeting, the Chairperson shall schedule meetings by advance notice to all of the members. If a member is unable to attend a scheduled meeting, that member may, by advance notice to the other members, appoint a designee having equal authority to attend the meeting in his or her place. A meeting may not be convened unless all the members of the BAC or their designees are present. The BAC shall make decisions by general consent of all members of the BAC or their respective designees in attendance at a meeting scheduled and convened in accordance with this section.

2.5.2 Authority. The BAC may render advice and assistance to The Rapid. The Rapid shall use its reasonable best efforts to implement the recommendations of the BAC, but The Rapid shall not be obligated to comply with the recommendations of the BAC. Notwithstanding the foregoing, The Rapid shall have no obligation to consider or implement any recommendation of the BAC that would materially impair the operation of the Silver Line, or impose or result in an increase in The Rapid's cost or expense of operating the Silver Line.

2.5.3 Duration. The BAC shall continue in existence so long as this Agreement remains in effect.

2.5.4 Contacts. After construction of the Project is completed and operation of the Silver Line begins, the points of contact for each of the parties shall be their representative members on the BAC.

2.6 Maintenance of the Project. The parties' obligations to maintain the Silver Line are as follows:

2.6.1 Maintenance Obligations of The Rapid. The Rapid shall be responsible, at its sole cost and expense, for (a) operating the Silver Line, (b) operating and maintaining its vehicles, equipment and other properties used in connection with the Silver Line, (c) maintaining the BRT Stations and appurtenances thereto, including, without limitation, snow removal, graffiti abatement, painting, trash removal, sidewalk and curb replacement or repair, as necessary, and (d) maintaining any improvement to the public rights of way made by The Rapid consistent with this Agreement.

2.6.2 Maintenance Obligations of the Cities. Each City, at its sole cost and expense, shall meet all legal obligations relative to the maintenance of all public rights of way, Facilities, and other public places under its jurisdiction.

2.6.3 Maintenance of the TSP. Grand Rapids shall maintain the TSP in good repair and operating condition. All costs incurred by Grand Rapids in

maintaining the TSP in proper working order shall be approved in advance by The Rapid, and reimbursed by The Rapid upon receipt of Grand Rapids' invoice for such costs and all supporting documents.

2.7 Cooperation by the Cities. The Cities shall use their reasonable best efforts to cooperate with The Rapids' efforts and activities in constructing the Project. The points of contact for the parties with respect to all matters concerning the design and construction of the Project shall be the parties' representatives on the TAC. The points of contact for all matters concerning the operation and maintenance of the Project shall be the parties' representatives on the BAC. If, and to the extent, that other construction projects within a City arise that may conflict with or otherwise impede the progress of the Project, that City shall notify the other parties to this Agreement of the points of contact for the contractors and other parties involved in such conflicting construction projects, and otherwise coordinate communications between the parties.

2.8 FTA and State Oversight. The parties acknowledge and agree that the FTA and the State will monitor all aspects of the Project. The FTA and the State shall have the authority to access applicable Project files of The Rapid and the Cities to the extent permitted by law, copies of all completed work products, invitations to all progress review and public involvement meetings, and copies of minutes generated as a result of all such meetings and such other documentation as required. As the recipient of the FTA Grant and the State Grant, The Rapid shall be solely responsible for administration of the FTA Grant, the State Grant, and all required reporting to the FTA and the State of Michigan. All matters pertaining to grant funds expenditures, allocations and disbursement of funds will be solely the responsibility of The Rapid.

2.9 Insurance. The Rapid shall obtain, and continuously maintain for the duration of this Agreement, and provide to the Cities prior to the execution of this Agreement and annually thereafter upon the request of the Cities, proof of commercial liability insurance coverage naming each of the Cities and their officers and employees as additional insured parties. Such insurance shall have an initial limit of \$1,000,000 per occurrence and \$2,000,000 general aggregate. Said insurance must contain comprehensive coverage to insure against any and all claims arising out of or attributable to the construction and operation of the Silver Line, regardless of whether The Rapid or any of its officers, employees, or agents are negligent in any manner, and also must contain contractual liability coverage to insure that the obligations of The Rapid to the Cities pursuant to this Agreement are met. All certificates of insurance evidencing the insurance coverage required by this section shall contain an unqualified guarantee that the Cities will be provided with thirty (30) days' prior written notice of cancellation, termination, non-renewal, or material change in coverage of the insurance policy provided. If The Rapid fails to maintain the required insurance in force during the term of this Agreement, each City may, at its option, obtain such insurance at its own expense and bill the costs of the same to The Rapid,

which costs The Rapid agrees to promptly pay or the Cities may revoke any encroachment permits granted in connection with the construction of the Project.

### ARTICLE III

#### GENERAL PROVISIONS

3.1 Term. The term of this Agreement shall be from the date first written above through and including December 31, 2025. Thereafter, this Agreement shall automatically renew from year to year unless terminated by written notice delivered by any party to the other parties not later than September 30. Notwithstanding the foregoing, this Agreement may be terminated by The Rapid at any time if the FTA Grant or the State Grant is withdrawn, or if funding under the FTA Grant or the State Grant is reduced or impaired after the date of this Agreement.

3.2 Effective Date. This Agreement shall not become effective and binding on the parties unless and until it is approved by official action of the governing bodies of The Rapid and each of the Cities.

3.3 Indemnification. To the maximum extent permitted by law, each party will defend, indemnify and hold harmless the other party and all of its officials, employees, principals and agents from and against all claims, demands, suits, actions, liability of any kind (including, without limitation, injuries to persons or property), costs and expenses (including, without limitation, reasonable attorneys' fees) arising out of the errors, omissions or negligent acts of the indemnifying party, its contractors and/or employees, agents, and representatives in performing such indemnifying party's obligations under this Agreement. No party shall be required to indemnify, defend, or save harmless the other party if the claim, suit or action is caused by the sole negligence of the other party. Where such claims, suits or actions result from concurrent negligence of one or more parties, this indemnification shall be valid and enforceable only to the extent of the indemnifying party's own negligence as determined by a court of competent jurisdiction. Each party to this Agreement will provide reasonable notice to the other parties of any and all claims, actions, losses or damages that arise or are brought against that party relating to or pertaining to this Agreement.

3.4 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the Project. This Agreement may not be amended or modified orally. All understandings and agreements heretofore between the parties with respect to the Silver Line are merged in this Agreement which alone fully and completely expresses their understanding. This

Agreement may not be amended, modified, altered or changed in any respect whatsoever except in writing duly executed by the parties hereto.

3.5 Waiver. The exercise (or failure to exercise) of any one of the parties' rights or remedies under this Agreement shall not be deemed to be in lieu of, or a waiver of, any other right or remedy contained herein or provided by law, except to the extent inconsistent herewith. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

3.6 Partial Invalidity. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed or deleted as such authority determines, and the remainder of this Agreement shall remain in full force and effect.

3.7 Construction. The rule of strict construction shall not apply to this Agreement. This Agreement has been prepared by The Rapid and its professional advisors and reviewed and modified by the Cities and their professional advisors. The Rapid, the Cities, and their separate advisors intend this Agreement to be the product of all of their efforts, that it expresses their agreement, and that it should not be interpreted in favor of or against either The Rapid or any of the Cities merely because of their efforts in preparing it.

3.8 Applicable Law. This Agreement shall be governed by the laws of the State of Michigan.

3.9 Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

3.10 Time. Whenever any time period is to be computed hereunder, the day from which the period shall run is not to be included, and any period ending on a Saturday, Sunday or legal holiday shall be extended to the next business day.

3.11 Counterparts. This Agreement may be executed in counterparts by the parties hereto and each shall be considered an original, but all such counterparts shall be construed together as representing one agreement between the parties.

3.12 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Whenever used, the singular number shall include the plural; the plural number shall include the singular; and the use of any gender shall include all genders.

3.13. Third Party Beneficiaries. This Agreement is not intended to create or confer third party beneficiary status on the public or any member of the public, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to any of the terms or provisions of this Agreement.

3.14 Notices. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile or electronic mail with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address set forth below, or such other address of which such party provides notice to the other parties in accordance with paragraph:

THE RAPID: INTERURBAN TRANSIT PARTNERSHIP  
300 Ellsworth S.W.  
Grand Rapids, Michigan 49503  
Attn: Peter Varga, CEO  
Telephone: (616) 456-7514  
E-mail: PVarga@ridetherapid.org

GRAND RAPIDS: CITY OF GRAND RAPIDS  
300 Monroe – Room 660  
Grand Rapids, Michigan 49503  
Attn: Eric R. DeLong, Deputy City Manager  
Telephone: (616) 456-3119  
E-mail: edelong@grcity.us

KENTWOOD: CITY OF KENTWOOD  
4900 Breton Ave., S.E.  
Kentwood, Michigan 49508  
Attn: Richard L. Root, Mayor  
Telephone: (616) 456-0771  
E-mail: mayor@ci.kentwood.mi.us

WYOMING: CITY OF WYOMING  
1155 28<sup>th</sup> Street, S.W.  
Wyoming, Michigan 49509  
Attn: Curtis L. Holt, City Manager  
Telephone: (616) 530-7226  
E-mail: holtc@wyomingmi.gov

3.15 No Joint Venture. Nothing in this Agreement shall be deemed or construed to create a partnership or joint venture, or employer-employee or principal-agent relationship, or to otherwise create any liability for one party whatsoever with respect to the indebtedness, liabilities, and obligations of another party. Each party is and shall be a public

entity, separate and distinct from the other parties and shall have the right to supervise, manage, operate, control and direct performance of its obligations under this Agreement.

3.16 Assignment. No party to this Agreement shall assign, transfer or delegate any of its rights, obligations or duties under this Agreement without the prior written consent of the other parties to this Agreement.

3.17 Public Disclosure. This Agreement shall be subject to public disclosure in accordance with the Freedom of Information Act, MCLA § 15.231 *et seq.*

3.18 Authority. Each party to this Agreement represents and warrants that the person executing this Agreement on its behalf has full power and authority to enter into this Agreement on behalf of such party, and that such party is authorized by law to enter into and perform its obligations under this Agreement.

3.19 Force Majeure. No party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, actions or orders of a civil or military authority, acts of a public enemy, accidents, fires, explosions, or acts of God including, without limitation, earthquakes, floods, winds or storms. In any such event, the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Agreement after the intervening cause ceases.

WHEREFORE, The Rapid and the Cities have executed this Agreement as of the date first written above.

*(Signature Page to Interlocal Agreement for the Silver Line Bus Rapid Transit Project)*

INTERURBAN TRANSIT PARTNERSHIP, a  
Public Authority incorporated under the Public  
Transportation Authority Act, P.A., 196 of 1986

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

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

ATTEST:

\_\_\_\_\_

*(Signature Page to Interlocal Agreement for the Silver Line Bus Rapid Transit Project)*

CITY OF GRAND RAPIDS, a Michigan municipal corporation

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

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

ATTEST:

\_\_\_\_\_

*(Signature Page to Interlocal Agreement for the Silver Line Bus Rapid Transit Project)*

CITY OF KENTWOOD, a Michigan municipal corporation

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

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

ATTEST:

\_\_\_\_\_

*(Signature Page to Interlocal Agreement for the Silver Line Bus Rapid Transit Project)*

CITY OF WYOMING, a Michigan municipal  
corporation

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

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

ATTEST:

\_\_\_\_\_

## EXHIBIT A

### THE PROJECT

The following is a brief description of the individual elements of the Silver Line:

The corridor extends directly south from downtown Grand Rapids along Division Avenue as depicted on the attached Exhibit A-1. The corridor passes through the Cities. Design, engineering and construction of capital improvements on Division Avenue in the right of way (ROW) from and including the Central Business District to the project boundary to the south, include:

1. Creation of dedicated bus lanes on at least 50% of the corridor as indicated in the initial project engineering design attached as Exhibit A-2. The exact location of dedicated bus lanes will be determined by the TAC as part of the Final Project Design, and may be modified upon recommendation of the BAC.
2. Construction of enhancements which encourage transit usage, including new sidewalks where necessary (around station platforms), pedestrian crosswalks and passenger shelters.
3. Installation of a TSP at intersections along the Project corridor, as depicted on the initial project engineering design attached as Exhibit A-3. Each TSP will provide Priority to The Rapid's BRT vehicles operating on Division Avenue. The TSP detects if a short extension of the signal green time would allow the BRT vehicle to pass through the intersection. At potentially two intersections (depending on the precise routing near Wealthy and Division), the existing left-turn arrow may give a BRT vehicle Priority. Most traffic signals in the corridor are already equipped with TSP transponders.
4. The elimination and/or relocation, where possible, of on-street parking areas and loading zones near a BRT Station, and installation of pedestrian and vehicular signage to clearly identify the availability of transit service.
5. Development of an operations plan and specifications for BRT vehicles which are anticipated to be forty (40) foot long, hybrid-electric, low floor BRT vehicles with two doors permitting ease of boarding. Ten (10) of these vehicles are proposed to operate along the corridor. In the future, The Rapid may elect to acquire sixty (60) foot BRT (articulated) vehicles to operate along the corridor.
6. Preparation of a detailed plan for the protection and maintenance of vehicle and pedestrian traffic during the construction of Project improvements. Construction will be done in such a way as to minimize safety conflicts with regular pedestrian and automobile traffic.

7. The proposed running way for BRT vehicles is the right curb-side travel lane. In at least 50% of the corridor, dedicated curb-side lanes have been designed into the Project during peak hours (6:00 a.m. to 9:00 a.m. and 3:00 p.m. to 6:00 p.m.). The dedicated lanes would be indicated by signage, pavement markings and other features to distinguish the lanes from ordinary vehicular traffic lanes. Right-turning vehicles and vehicles accessing business drives and parking may use the dedicated lanes.

8. The Project Budget will include not more than \$1 Million to improve ride quality along the corridor by milling and resurfacing roadways at the BRT station areas.

9. Installation of 17 BRT stations (excluding existing Rapid Central Station), with 33 platforms (Rapid Central Station already has a platform and there will be one station platform at the end of the line at 60th Street). The BRT stations are all low-platform at-grade providing level access from the floor of the BRT vehicles.

10. The BRT station platforms are generally 60' long and situated in the public right-of-way (ROW) along the right curb-side lane. The location and configuration of the BRT stations will be finalized in the Design and Engineering phase. A typical BRT station shelter will be 48' long except where ROW restrictions necessitate a 36' long BRT shelter. The 48' long BRT shelter is designed to cover both doors of a 40-foot bus and set back 24" from the face of curb to protect boarding passengers from rain. There will be ramps at one or both ends of the platform. Attached as Exhibit A-4 is an artist's rendering of a typical BRT station.

11. If the BRT station roof extends over the bus, the clear height of the roof will be 14'-6" above the pavement. The platforms will be placed 14" above the pavement for BRT vehicles and 10" above the pavement where the BRT will share stations with other local route stops. The stations are generally located at intersections with traffic signals, facilitating access to the platform.

12. The BRT stations will be designed to include lighting, landscaping, hardscaping, benches, signage, active signage displaying real-time train arrival and status information ("next bus" technology), emergency telephone with closed circuit television (CCTV) passenger information signage, location information, and information on how to use or transfer between systems.

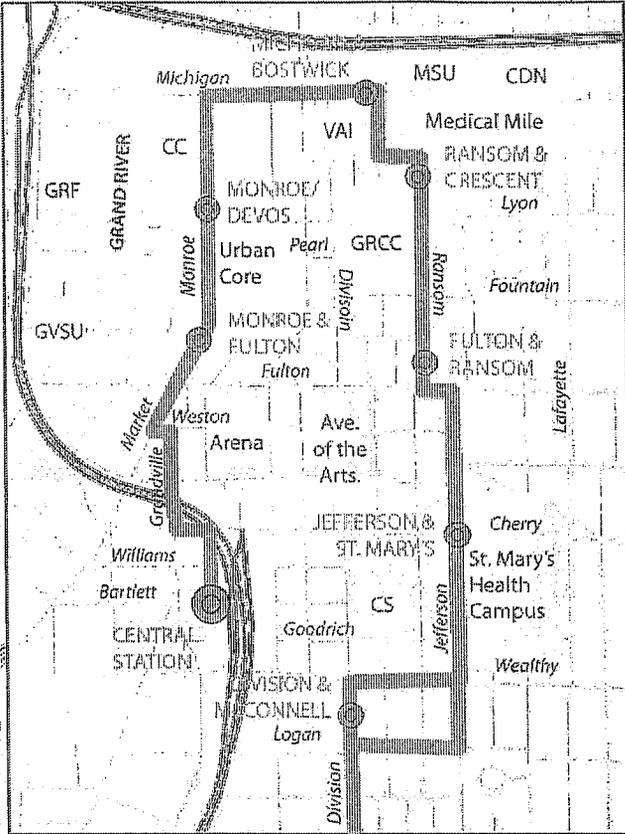
13. The BRT's fares will be coordinated and integrated with The Rapid's current fare structure for its existing bus system. Fare vending machines would be placed in all stations and continued use of standard fare boxes is assumed for the bus system.

14. Routine fare inspections will be conducted by The Rapid.

15. Coordination with the Cities on policing the system for fare evaders, including citation and prosecution.

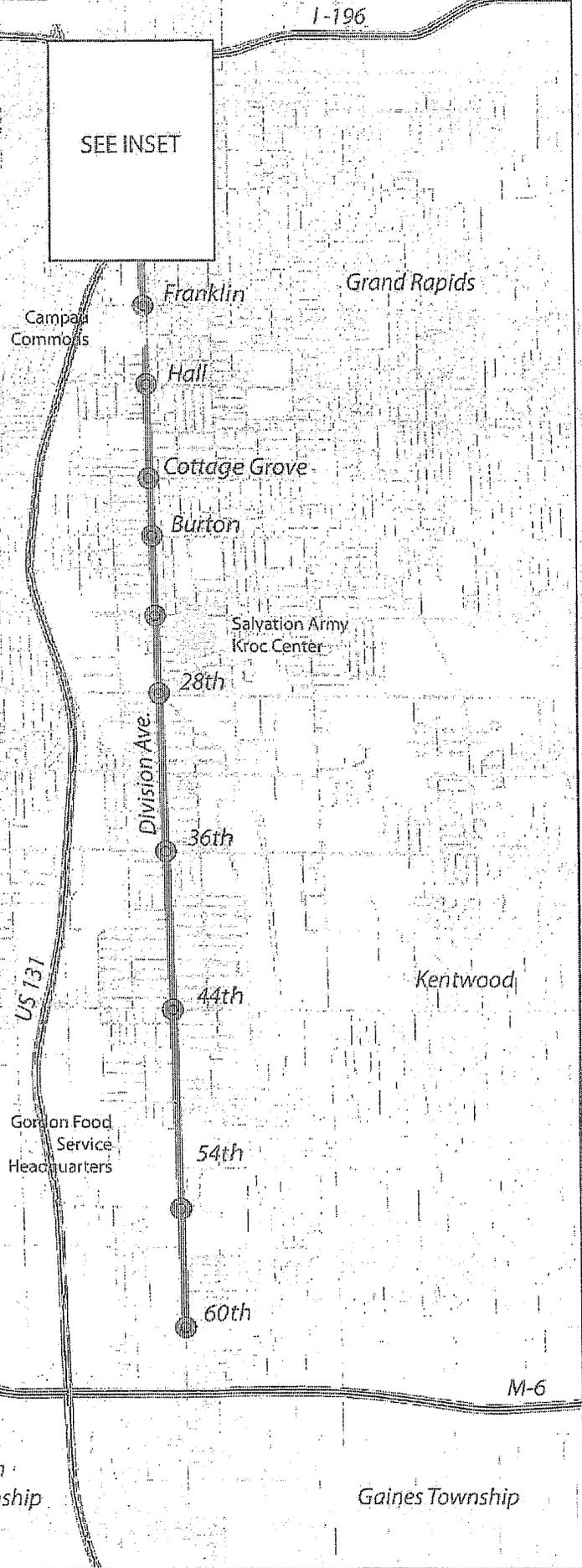
EXHIBIT A-1

INSET - CENTRAL BUSINESS DISTRICT (CBD)



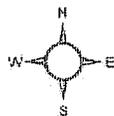
- CC - DeVos Place Convention Center and Performance Hall
- CDN - Cook-DeVos School of Nursing
- CS - Cathedral Square (Catholic Diocese Headquarters and High School)
- GRCC - Grand Rapids Community College
- GRF - Gerald R. Ford Presidential Library and Museum
- GVSU - Grand Valley State University
- MSU - Michigan State University
- VAI - Van Andel Research Institute

SEE INSET



BUS RAPID TRANSIT CORRIDOR

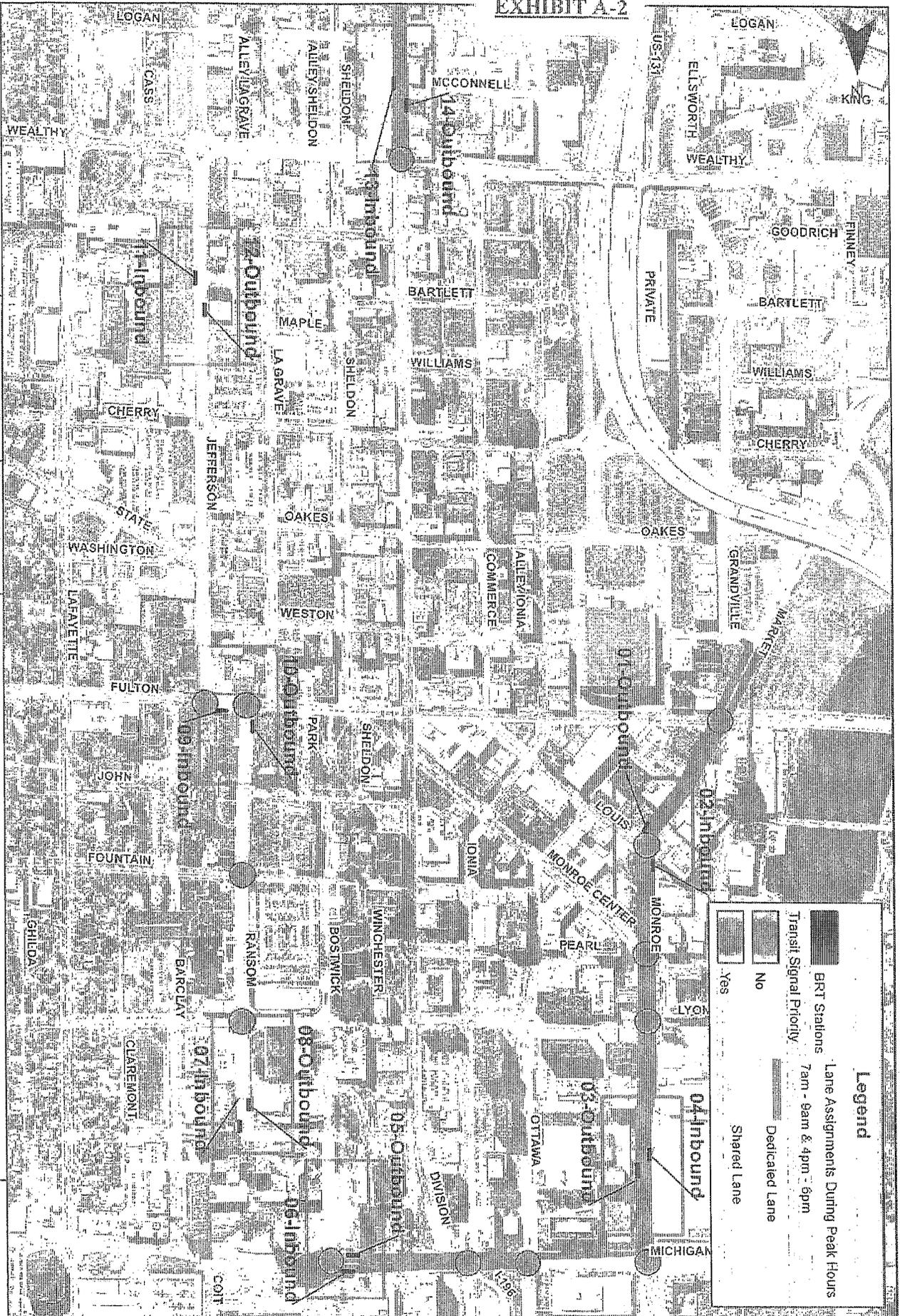
- BRT Stations
- BRT Alignment



Byron Township

Gaines Township

EXHIBIT A-2



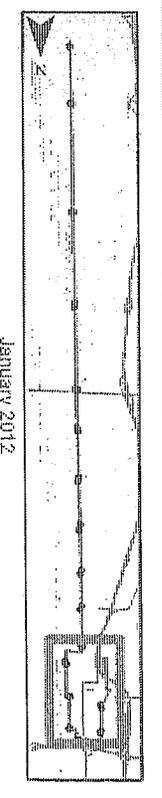
**Legend**

- BRT Stations
- Lane Assignments During Peak Hours  
7am - 9am & 4pm - 6pm
- Transit Signal Priority:
  - Yes
  - No
- Dedicated Lane
- Shared Lane

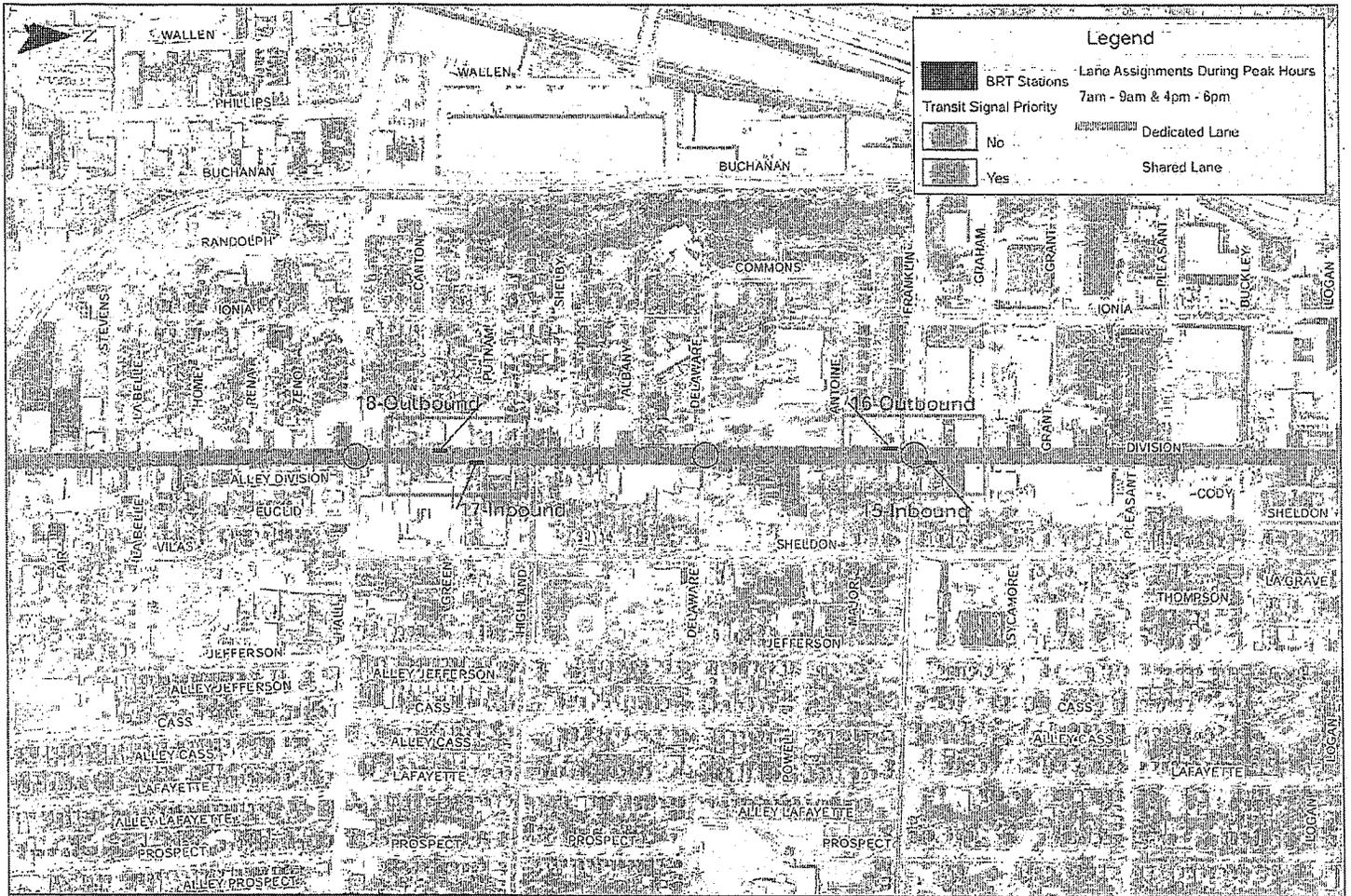
**BRT Dedicated Lane Mapping**

**CDM SMITH**

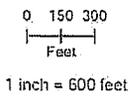
0 150 300  
Feet  
1 inch = 600 feet



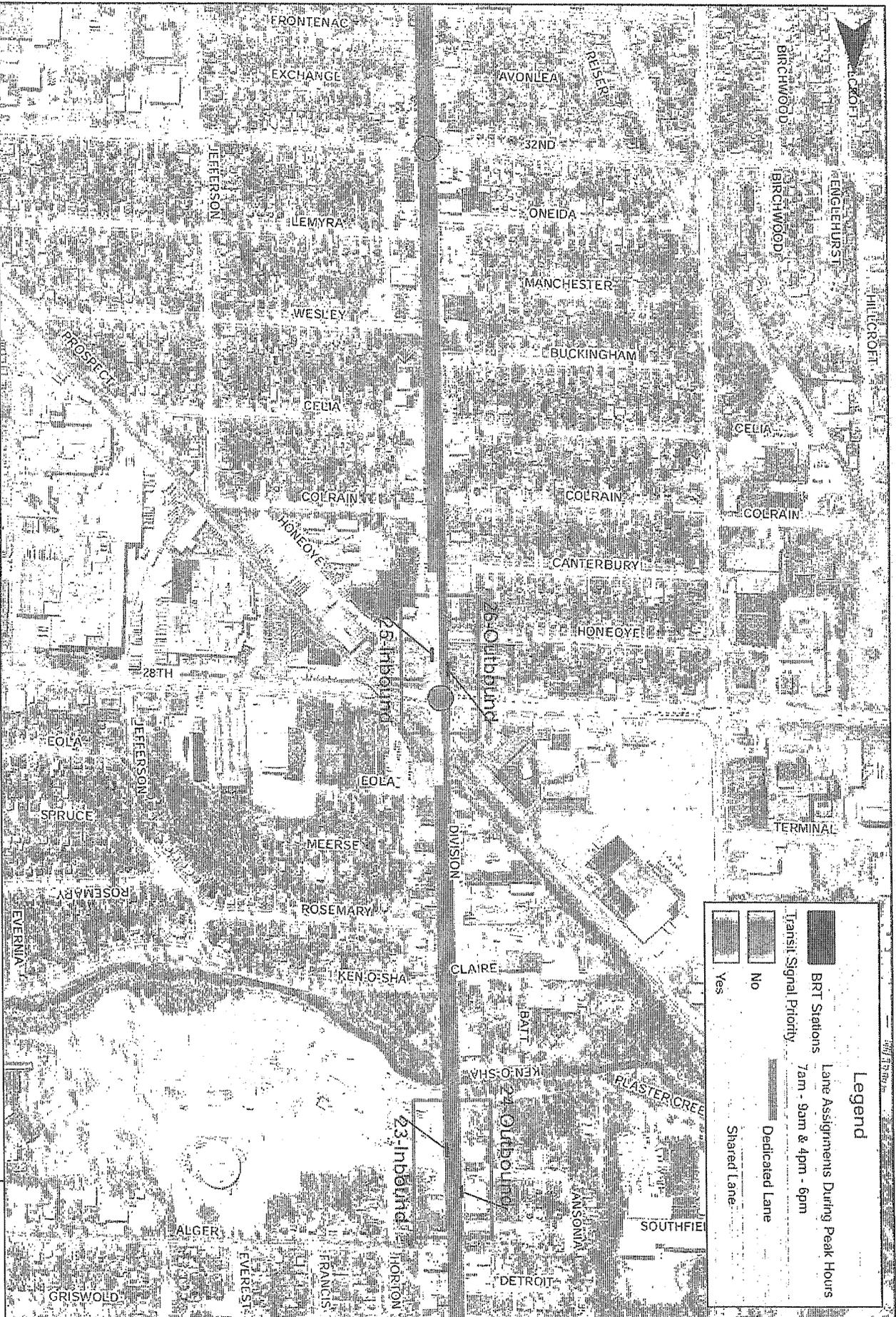
January 2012



**BRT Dedicated Lane Mapping**







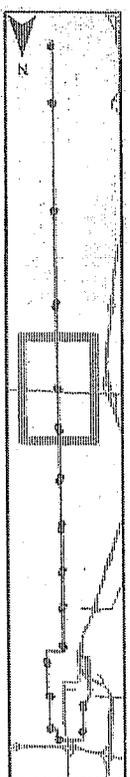
**Legend**

- BRT Stations
- Lane Assignments During Peak Hours  
7am - 9am & 4pm - 6pm
- Transit Signal Priority  
Yes / No
- Dedicated Lane
- Shared Lane

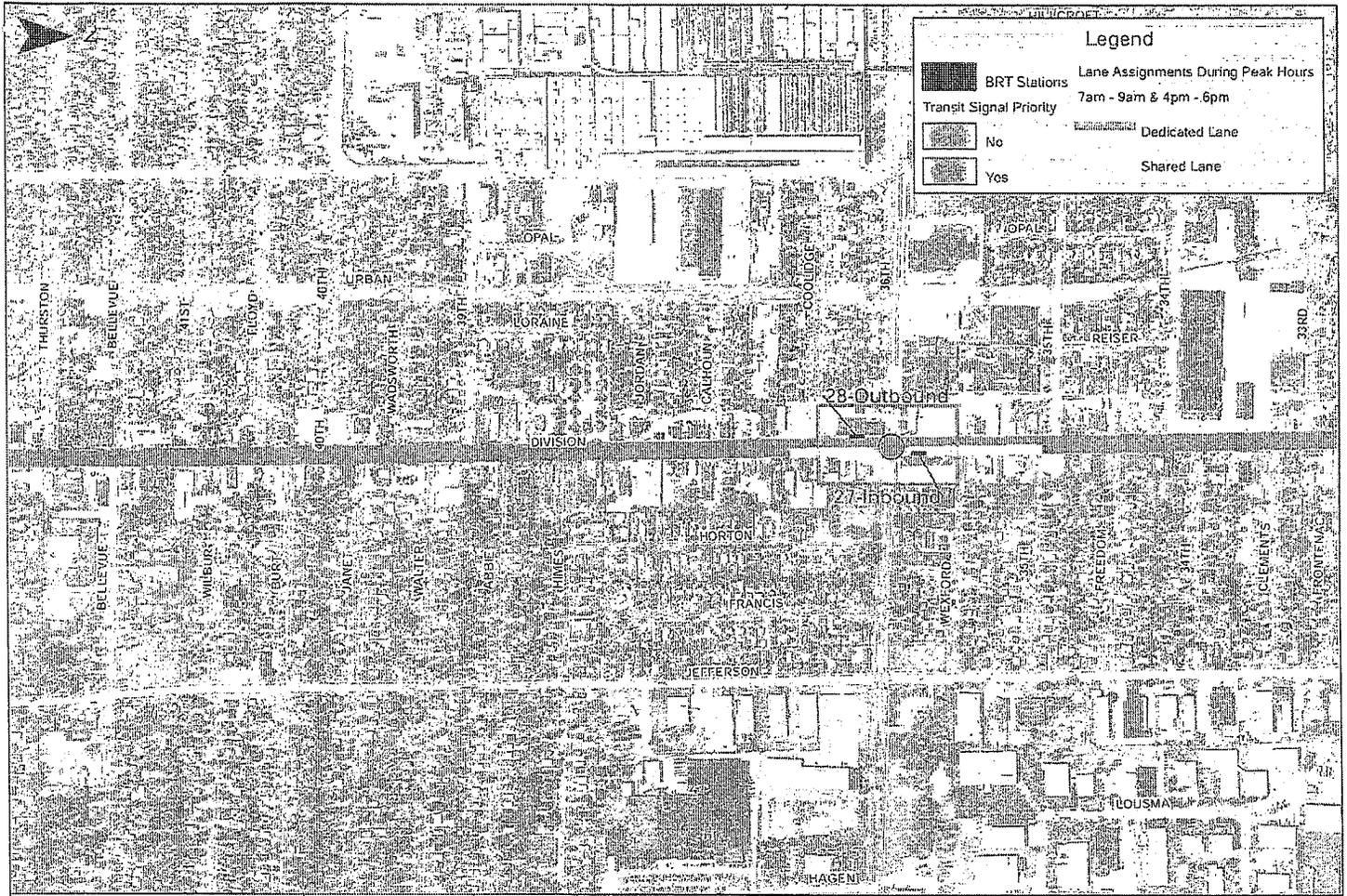
**BRT Dedicated Lane Mapping**



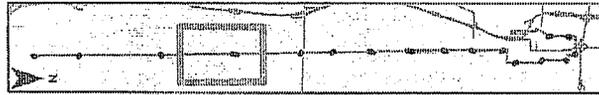
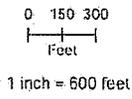
0 150 300 Feet  
1 inch = 600 feet



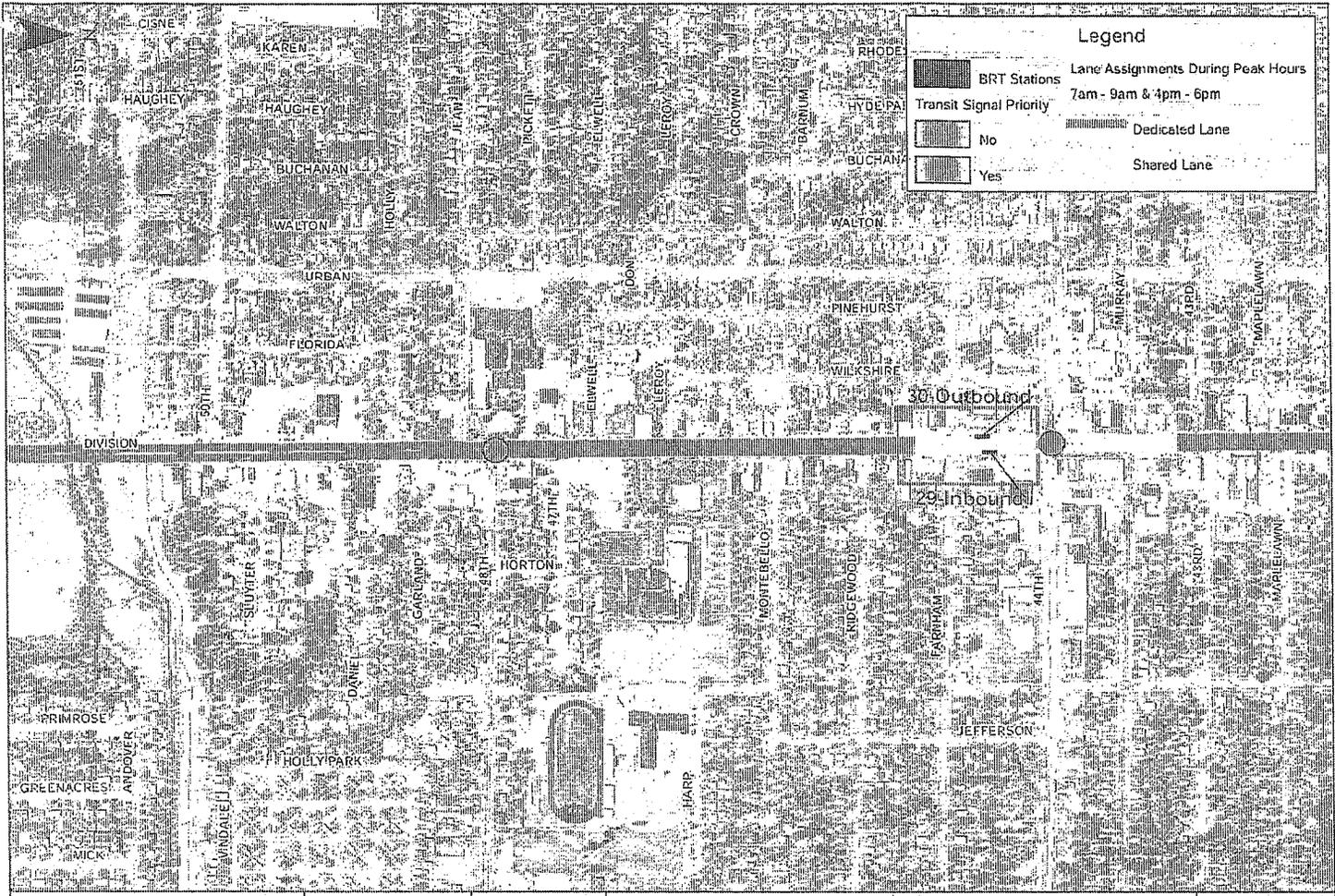
January 2012



**BRT Dedicated Lane Mapping**



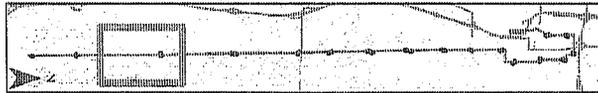
January 2012

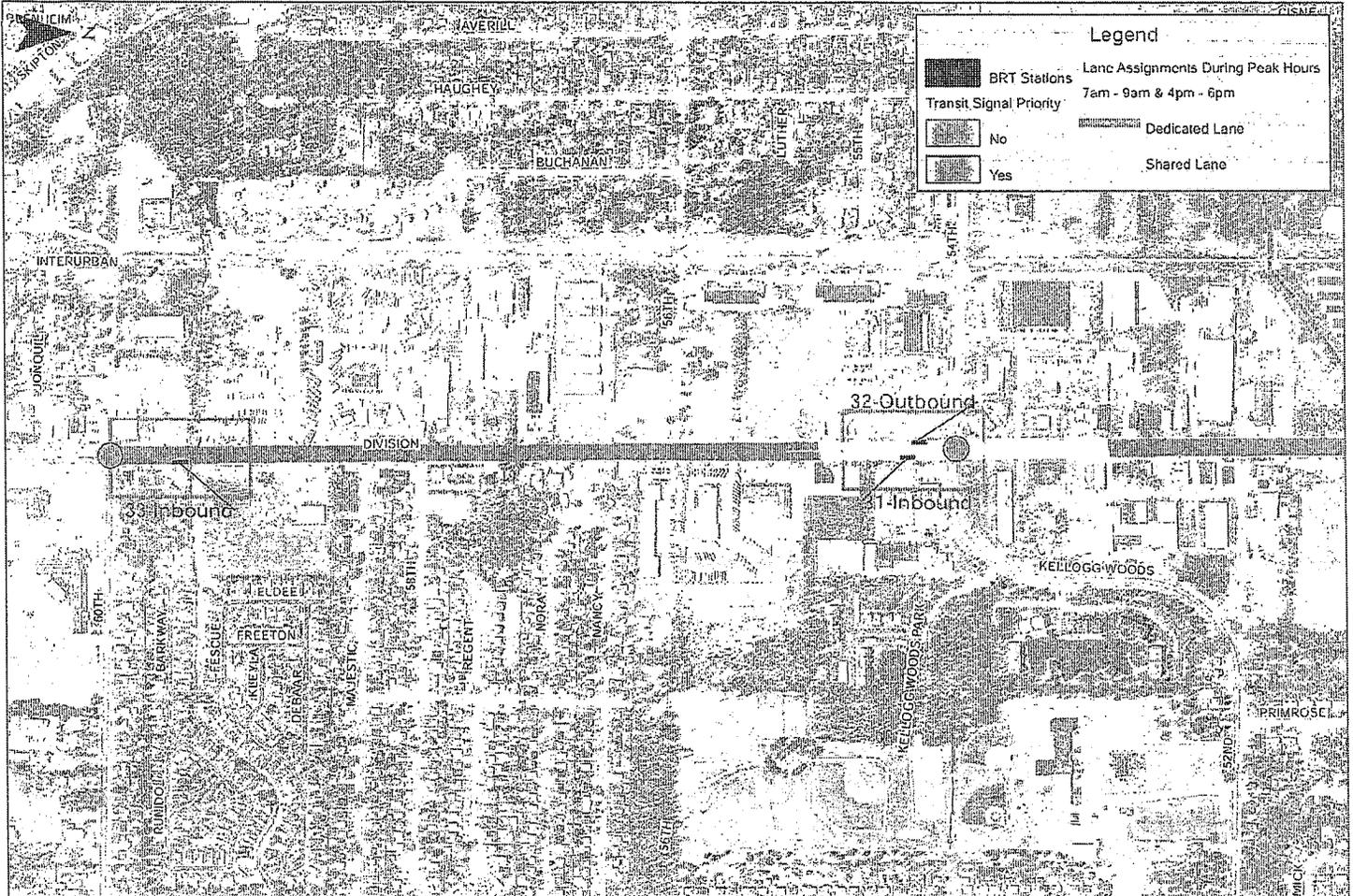


**BRT Dedicated Lane Mapping**

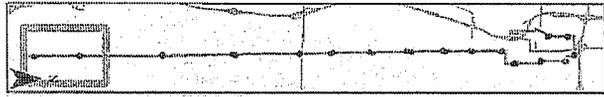
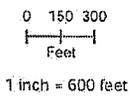


0 150 300  
Feet  
1 inch = 600 feet

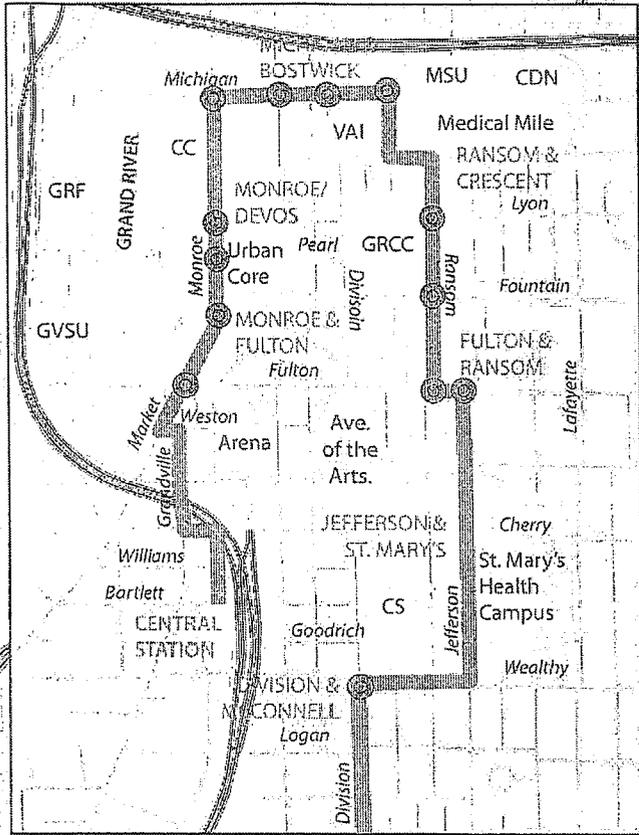




**BRT Dedicated Lane Mapping**



INSET - CENTRAL BUSINESS DISTRICT (CBD)



CC - DeVos Place Convention Center and Performance Hall  
 CDN - Cook-DeVos School of Nursing  
 CS - Cathedral Square (Catholic Diocese Headquarters and High School)  
 GRCC - Grand Rapids Community College  
 GRF - Gerald R. Ford Presidential Library and Museum  
 GVSU - Grand Valley State University  
 MSU - Michigan State University  
 VAI - Van Andel Research Institute

SEE INSET

I-196

Franklin  
Delaware

Grand Rapids

Hall

Cottage Grove

Griggs

Burton

Salvation Army  
Kroc Center

28th

32nd

36th

44th

48th

54th

60th

Division Ave.

Kentwood

US 131

Gordon Food  
Service  
Headquarters

Wyoming

BUS RAPID TRANSIT CORRIDOR

- BRT Intersections - without Transit Signal Priority
- BRT Intersections - with Transit Signal Priority
- BRT Alignment

Byron  
Township

Gaines Township

M-6

