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November 22, 2021

Lynn Natzic, President
Reliance Building Company
26200 Town Center Drive, Suite 195
Novi, MI 48375

Dear Lynn,

I know Reliance is working through the final punchlist for the project, with a rather excessive amount of assistance being required on behalf of the Village to move things along. You are well-past the final completion date of October 15 2021, with - once again - no notification to the Village of any extenuating circumstances or that you require more time.

Pursuant to the contract (15.01.E.2. of EJCDC C-700 - General Conditions), this letter serves as notification that the Village of Pinckney intends to impose set-offs against your final payment. We have directed our Engineer to itemize engineering costs attributed to your inability to complete the project within the agreed-upon completion dates. The Village will also assess liquidated damages for your failure to meet the final completion date.

I feel the need to point out that the Village has granted several extensions of time at your request, despite our misgivings, all in hopes of moving the project closer to completion. Clearly, this strategy has not been especially effective.

As per the contract, your recourse - should you choose to dispute the set-offs - is by submitting a change proposal to the Village for consideration.

Our next and last meeting of 2021 is December 13. Council will reconvene on January 10, 2022.

Regards,

Rebecca Foster, President





Village of Pinckney
220 South Howell Street
Pinckney, MI 48169

November 24, 2021

Attention: Rebecca Foster, President

Project: Pump Station Replacement and Screening Building - Contract 2
Village of Pinckney, Michigan

Re: Notice of Damages

Dear Rebecca,

We are in receipt of your letter dated November 22, 2021. After reviewing that letter, we were surprised and disappointed in the accusatory tone of that letter. We dispute any claim by the Village for liquidated damages and, contrary to what is alleged in your letter, Reliance has been keeping the Village and its engineer aware of both the progress of the Project and the things outside of Reliance's control, which have caused delays. To this regard, we would note as follows:

The physical work of the punch list was timely completed before October 15, 2021. A final punch list walkthrough was scheduled to take place with the Village's engineer on October 13th. Unfortunately, on October 12th we received notice that Joe White (of Wolverine), the Village's engineer, had contracted COVID and would not be available for the scheduled walkthrough. Even though Mr. White was not available, in an effort to reduce the impact of any delay resulting from Mr. White contracting COVID, Reliance requested a meeting with another representative of the Village, Mike Hughes. To this regard, Reliance met with Mike Hughes to address a few punch list issues. Reliance also attended a Zoom conference with Mr. White, which took place on October 20th.

Your letter does not address the work that Reliance has allegedly failed to timely complete. We are aware of two (2) warranty items. These are as follows: (1) a site visit from the manufacturer to inspect a leaking compaction zone on the Parkson Screen; and (2) testing the bypass riser. Since these are warranty issues, which will be addressed as part of Reliance's warranty obligations under the contract, they do not prevent the Project from being complete. Reliance has been in contact with both Joe White and Mike Hughes regarding the resolution of these warranty items.

We have been in communication with the Village about the Project's Operation and Maintenance Manuals and Warranties. These documents were transmitted to the Village and Wolverine for comments on June 8th. The as-builts were sent on May 27th. We did not receive any comments on their review until our meeting on November 11th with Joe White and Mike Hughes. Thus, Reliance is not responsible for any delays pertaining to these items. Moreover, we are working to integrate the comments that we received at the recent meeting and will have the manuals and as-builts finished next week; and these items do not impact any of the physical work that has been completed.

With regard to the DTE service removal coordination, we timely began this process back on August 23rd. Yet, it was not until October 15th that we received the demolition schedule for the DTE services. Reliance was not responsible for this delay, since DTE needed to prepare the applicable demolition schedule. Reliance has been in communication with the Village and Wolverine about this delay. Currently, the date for PS 1 is December 13th and PS 2 is November 29th. After utility removal (to be performed by DTE - who Reliance has no control over) we will regrade the site and return in the spring to perform restoration as



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previously discussed. Scheduling of utilities is outside of our control and Reliance performed its contractual obligation to coordinate the removal in a timely manner.

Reliance would again object to any claim that it is responsible for any delays or liquidated damages. Your letter dated November 22, 2021 discusses potential submission of a change proposal. Reliance would certainly be willing to submit a no cost change order extending dates, based upon the items discussed above. We would note that we have not yet received the most recently agreed upon change order, which had extended the project completion date to October 15th. We would appreciate if we could receive a fully executed copy of that document.

Respectfully,

R. Lynn Natzic, PE
President