

AGENDA ITEM SUMMARY

DATE: 09/07/2011 **DEPARTMENT:** Administration/Engineer **DEPT. HEAD SIGNATURE:** HD

SUBJECT: Discussion of Woodside Boulevard bids and council decision whether to accept lowest bid or put the project out to bid again with a revised scope of work

AUTHORITY: ID Code Title 23 IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

Bids on the Woodside Boulevard project were received on July 27, 2011. The low bid has been evaluated and appears to be responsive. However, the full project budget, including this bid as only one of the project expense components, amounts to \$6,788,000. See detailed project budget, attached.

The project revenue is not sufficient for this level of expense. City staff has pursued additional funding from federal grant sources. We have been working with Federal Highways Administration since early August to identify ways to:

1. Secure full funding from Tiger II or other federal grant sources sufficient to complete the project as designed and bid.
2. Secure partial funding from federal grant sources combined with a revised scope of work. This method would potentially reduce the scope of work by approximately \$700,000 and would allow us to accept the current bid.
3. Re-bid the project under a revised scope of work to eliminate approximately \$1.2 million from the project budget.

We have reached the end of the 45 day period within which the current low-bid can be accepted and have not yet received a commitment of more federal funds, either fully or partially. Therefore, both Option 1 and Option 2 are not financially feasible at this time.

We have, however, identified that our pursuit of additional federal funding may bear fruit in time. Additionally, we have identified ways in which we could pursue the project in the absence of a future grant, provided the re-scoped project does result in a lower project cost and bid. We therefore recommend pursuing Option 3, to re-bid the project with scope of work revised down by \$1.2 million. See Engineer's memo attached regarding scope reductions.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Scope revisions will require more costs for engineering, estimated at approximately \$20,000.

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney ___ Grant Administrator ___ Engineer ___ Mayor
___ P & Z Commission ___ Parks & Lands Board ___ Treasurer ___ Other

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

We recommend rebidding the project, and continuing pursuit of this project as one of the city's top capital priorities. Below is a summary of the reasons for this recommendation:

1. Rebidding gives us time to pursue additional federal funding:
 - We hope to gain up to \$2.3 million more in federal funding for this project. We've learned that is a plausible goal, but will take some time. Re-scoping and rebidding will give us an additional six months in which to pursue funding.
 - Ideally, we would like to proceed with the project as scoped, as it meets the approval of the Woodside subdivision in general, the affected property owners along Woodside Boulevard, Hailey's elected officials, and the goals of the TIGER II grant program in terms of livability (complete streets). We are working with Federal Highways Administration to put together a new bid package that will allow the reductions in scope but not necessarily require them, should more money be procured.
 - We expect that lower costs may be obtained through the rebid simply by virtue of condensing the project to one construction season and asking for bids in the winter (rather than in high summer season).
- 2.. Re-scoping will be done in such a manner to continue to meet the goals of TIGER II and the Woodside residents, and will be necessary if no (or limited) additional funding is obtained.
 - An aggressive re-scope of the project, within the parameters of the grant and the Woodside residents expectations, could reduce the project to a cost which could be accomplished with current capital fund resources and the prioritization of this project and potential phasing of other capital projects.
 - An additional \$800,000 to Hailey's Capital Fund would result in Hailey meeting all three of its capital project priorities without phasing any of them, following a successful re-bid to a lower project scope.

FOLLOW-UP/COMMENTS:

CITY OF HAILEY
WOODSIDE BOULEVARD TIGER II GRANT PROJECT BUDGET
August 16, 2011

	Grant Application Estimates	Costs per Bid Opening	Revised Funding Sources	Difference	Spent to date	Hailey's Revised Match/Contribution
FUNDING SOURCES						
Grant Request - FHWA	3,500,000		3,500,000	2,066,916		
Capital Fund for Engineering(Construction)	800,000		2,866,916	54,786		
In-Kind Labor (Capital or Operating)	110,000		164,786	45,000		
Copper Ranch PUD Contribution			211,395	211,395		
Water Dept - Irrigation			6,788,097	2,378,097		910,000 Grant Agreement
TOTAL	4,410,000					
COSTS						
Construction	3,750,000	4,537,881		787,881	436,374	436,374 Pre-Grant Engineering
Engineering - Prior to 4/8/2011	450,000	644,052		194,052	204,952	
Engineering - After 4/8/2011 Agreement (costs after 4/8/211 eligible grant match)	100,000	182,578		182,578	182,578	
Engineering Change Order #2 - Construction Inspection & Materials Test					2,200	2,200 Pre-Grant Costs
Legal & Permits		19,696		19,696	19,696	19,696 Pre-Grant Labor
City Labor - prior to agreement	110,000	16,530		(93,470)	18,713	1,994 Pre-Grant Costs
City Labor - after agreement signed					1,994	
Supplies, other costs incurred				990,737	866,508	460,264
TOTAL	4,410,000	5,400,737				
Additional Costs:						
JUB Design Clarifications		30,000		30,000		
Public Involvement		20,000		20,000		
CE&I Consultant		400,000		400,000		
Material Testing		50,000		50,000		
Walbert/Weiland Driveways		20,000		20,000		
Public Art		45,000		45,000		28,540 Public Art Spent to Date
City Labor		128,560		128,560		
Contingency per JUB		693,800		693,800		
Total Additional Costs		1,387,360		1,387,360	28,540	28,540
Design, Const, Inspection, Public Art	4,410,000	6,788,097		2,378,097	895,047	488,804
Remaining Costs Under Contract - Public Art					16,460	16,460 Public Art Remaining
Net Project Cost	4,410,000	6,788,097		2,378,097	911,507	1,415,264

City Engineer Memo

To: Mayor Rick Davis
City Council Members

CC: Heather Dawson, City Administrator

From: Tom Hellen, City Engineer

Date: 8/31/2011

Re: Woodside Boulevard Reconstruction

The item before the City Council is a decision on proceeding with the Woodside Blvd reconstruction project and the award of a contract. It is my recommendation to reject the two bids received and move forward with a revised project scope and schedule.

Since the bids were received city staff and J-U-B Engineers have had discussions on the next steps in light of the fact that the total project costs are higher than anticipated. The attached spreadsheet is an estimate of anticipated project savings by reducing the scope of the project; while not reducing the intent of the grant or overall aims of the project; revising the project schedule to completing all construction in 2012 and dropping the contingency amount to 5%. The potential savings are just over \$1.1 million.

The project schedule would anticipate a rebidding of the project in January 2012, review and award of the contract by early March with construction anticipated to begin in April. This will require minor revisions to the specifications for both the project schedule and bid item summary.



ENGINEER'S OPINION OF PROBABLE COST

PROJECT: WOODSIDE BOULEVARD RECONSTRUCTION DATE: 8/12/2011
8/17/11 Revision

PROJECT DESCRIPTION: PS&E PROBABILITY COST ESTIMATE FROM FOX ACRES ROAD TO SH-75
CLIENT: CITY OF HALLEY

PHWA PROJ. NO. TDRH-C-07_DTH#11-11-G-00001 JUB PROJ. NO. 83-10-043

Table with columns: I.S.P.W.C ITEM NO., DESCRIPTION, QUANTITY, UNIT, UNIT PRICE, TOTAL COST, SCHEMATIC A, QUANTITY, UNIT, UNIT PRICE, TOTAL COST, % REDUCTION, EVALUATION, TOTAL COST, NOTES. Includes sections for DIVISION 200 - EARTHWORK, DIVISION 300 - TRENCHING, DIVISION 400 - WATER, DIVISION 600 - CULTIVETS, STORM DRAINS, AND GRAVITY IRRIGATION, and DIVISION 700 - CONCRETE.



ENGINEER'S OPINION OF PROBABLE COST

PROJECT: WOODSIDE BOULEVARD RECONSTRUCTION
 DATE: 8/12/2011
 8/17/11 Revision

PROJECT DESCRIPTION: PS&E PROBABILITY COST ESTIMATE FROM FOX ACRES ROAD TO SH-75
 CLIENT: CITY OF HAILEY

FHWA PROJ. NO. TD911-C-07 DTF1161-11-G-00001
 JUB PROJ. NO. 83-10-043
 C&A PAVING CO. INC.

QTY	UNIT	PRICE	TOTAL COST
1	LS	\$12,095.00	\$12,095.00
Subtotal: \$30,883.00			

QTY	UNIT	PRICE	TOTAL COST
TOTAL: \$4,537,880.34			
CONTINGENCY 15% \$680,682.14			
CE&I 10% \$453,788.09			
WOODSIDE BOULEVARD RECONSTRUCTION TOTAL: \$5,672,351.18			

SCOPE REDUCTION EVALUATION	QUANTITY	% REDUCTION	UNIT PRICE	TOTAL COST	NOTES
Subtotal	0	100%	\$12,095.00	\$0.00	Item Removed
TOTAL: \$1,984,730.00					
CONTINGENCY 5% \$99,236.50					
CE&I 8% \$158,781.30					
REVISED TOTAL: \$4,416,744.88					Reduced from 15% to 5% Reduced from 10% to 8% (1 Year Construction)
DIFFERENCE: \$1,155,286.29					Potential Construction Savings
ENGINEERING DIFFERENCE: \$49,000.00					
TOTAL: \$1,103,286.28					Potential Savings

