

Over Estimate Bid, Change Order Limit Adjustment, Supplemental Agreement No.4 and Funding for Improvements to West Street, Harry to Kellogg (District IV)

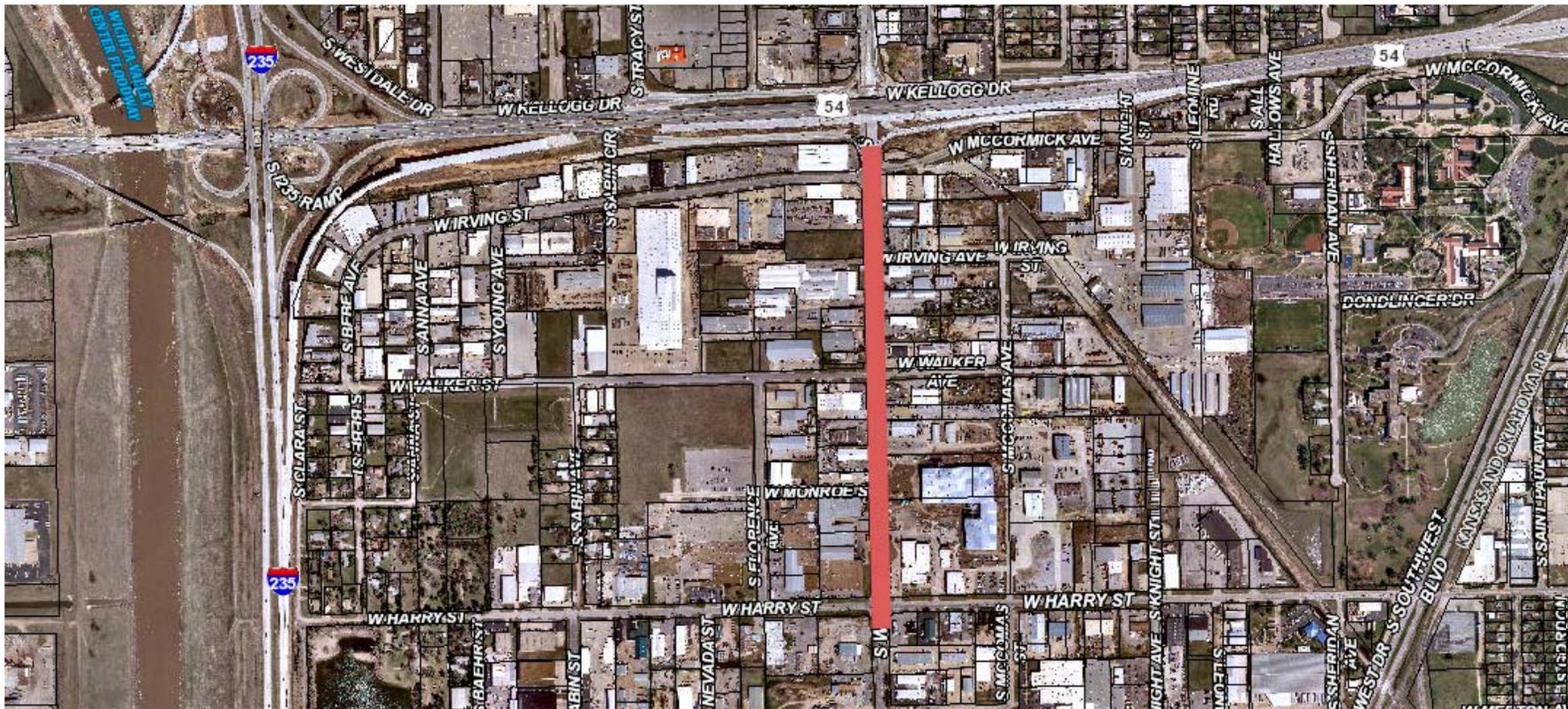


Public Works & Utilities/Engineering

May 5, 2020



West Street Corridor Improvements



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- **Background:** On March 26, 2020, the project was bid for construction with all of the bids exceeding the engineer's estimate.
- **Analysis:** The lowest bid exceeded the engineer's estimate by approximately \$239,000, or 5.7%. In addition, the change order limit will be increased from \$50,000 to 4% or \$177,361. The City will also enter into Supplemental Agreement No. 4 with Transystems for inspection services.
- **Financial Considerations/Recommended Actions:** Staff recommends transferring \$550,000 in Local Sales Tax funding available from the Kellogg, Greenwich to K96 Project. Approve the revised budgets, approve acceptance of the lowest bid, waive City Council Policy No. 2 regarding the use of project savings to allow transfer of the funds, adopt the amending resolutions, authorize the necessary signatures, increase the change order limit and approve Supplemental Agreement No. 4.





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East Kellogg Available LST Funding		
Current East Kellogg contingency funds		\$ 17,000,000*
Transfers to projects	City Council Date	Transfer amount
17th Street, Broadway to I-135	12/17/2019	\$ (1,500,000)
Mt Vernon, Broadway to SE Blvd	12/17/2019	\$ (1,400,000)
Proposed West Street, Kellogg to Harry	5/5/2020	\$ (550,000)
Remaining balance of East Kellogg contingency funds		\$ 13,550,000
Proposed Reduction in East Kellogg budget to support projected LST shortfall		\$ 10,550,000
Proposed remaining East Kellogg contingency		\$ 3,000,000
* Initial contingency amount was based on \$200 million+ in total project costs. The projects have advanced to a point that the risk for cost overruns is significantly reduced.		

