

**CITY OF COOS BAY URBAN RENEWAL AGENCY**  
**Agenda Staff Report**

MEETING DATE	AGENDA ITEM NUMBER
November 3, 2015	

**TO:** Chair Jennifer Groth and Board Members

**FROM:** Jim Hossley, Public Works Director *JH*

**Through:** Rodger Craddock, City Manager *JRC*

**ISSUE:** Approve Additional Funds and Request ODOT to Move Forward with the Construction Phase of Empire Boulevard Enhancement Project

**BACKGROUND:**

The City has received grant awards through ODOT to fund the Empire Boulevard Enhancement project. Between the City's URA matching funds and ODOT's grant funds, \$5,367,533 is authorized for expenditure on the Construction Phase of the project. This amount was determined based on ODOT's engineering cost estimates. This amount includes estimated contractor's construction cost, engineering management cost, and a 10% contingency. Per the IGA between ODOT and the City, any additional funding required beyond this estimated amount for the construction phase must come from the City.

The City received ODOT's bid results for the Empire Boulevard project on October 22, 2015. The results are as follows:

1. LaDuke Construction, \$4.82 million
2. Knife River, \$4.99 million
3. JAL, \$5.25 million
4. Laskey-Clifton, \$5.31 million
5. Carter & Co. \$5.38 million

The lowest bid is approximately 5% over ODOT's estimate. LaDuke's bid for construction cost, plus engineering management cost, plus a 10% contingency totals \$5,631,674. This is \$264,141 over the amount authorized for the project Construction Phase. As mentioned above, the City is responsible for this difference. However, we are under spent relative to the estimated cost for the now completed design engineering (PE) phase and right-of-way (ROW) acquisition phase. Because of ODOT's "stove pipe" project accounting methods, we cannot yet roll the under spending in these two phases toward the overage in the construction phase. Time is of the essence and to keep the project moving forward, the URA needs to agree to fund the entire Construction Phase overage (\$264,141) and request ODOT continue to move the project forward. The ODOT project manager is currently forecasting that the actual overage, once we can move our remaining funds in the PE and ROW phases into the Construction Phase, will be closer to \$40,000. We will not know the actual figure and the funds will not be rolled into the construction phase until the end of January 2016 at the very earliest.

Staff discussed with ODOT rebidding the project in hopes of a better price. At a minimum, it will cost an additional \$30,000 in engineering and administrative cost to rebid. Bidding in the fall (as ODOT did) is an ideal time for the best bids. Additionally, most materials costs are expected to keep rising. ODOT's experts recommend against rebidding the project as they expect rebid prices to come in higher. Because of state law, ODOT cannot shorten or reduce the scope of the project in an effort to reduce cost without going out to bid again.

**ADVANTAGES:**

Approval of the additional match ensures that the Construction Phase for the Empire Boulevard Enhancement project commences.

**DISADVANTAGES:**

The actual total additional matching funds required for the Construction Phase are unknown at this time.

**BUDGET IMPLICATIONS:**

The additional project match of \$264,141 will come from the Empire Urban Renewal District Fund. With this addition, the total PE, ROW, and Construction phases grant match approved by the URA would be \$1,094,173. At this time, the actual cost to the URA is expected to be less. After we learn the actual cost, it may be necessary for staff to bring back a supplemental budget request to the URA for housekeeping purposes.

Should construction not commence because the URA does not approve the additional match, the City will have to reimburse ODOT their cost for the project to date including PE and ROW phase costs. The estimated reimbursement would be approximately \$640,000 and would be in addition to the \$163,350 the City has already paid for PE and ROW phase costs.

**ACTION REQUESTED:**

If it pleases the Agency, approve an additional \$264,141 grant match for the Empire Boulevard Enhancement project increasing the total authorized City match for the Empire Boulevard Enhancement Project to \$1,094,173 and authorize staff to request ODOT move forward with the Construction Phase of Empire Boulevard Enhancement Project.