



INFORMAL STAFF REPORT

MEMORANDUM

To: Ron L. Olson, City Manager

Thru: Oscar R. Martinez, Assistant City Manager *om*

From: Dan Biles, P.E., Director of Engineering Services *DB*

Date: August 8, 2012

Subject: Bond Issue 2008: Downtown Streets – Chaparral Project

Issue/Problem

On Wednesday, February 29, 2012, the Downtown Streets – Chaparral Project accepted bids and the bids received were significantly over the budgeted amount. The project plans were then modified and clarified and the project was re-bid on May 30, 2012. The same two general contracts submitted new bids, and again, they were over the approved project budget. At the July 31, 2012 Council meeting, staff was requested to further investigate the cause of the elevated bid pricing and evaluate alternatives that would bring the project closer to within the original budget.

Background & Findings

This project was approved in the November 2008 Bond Election with a \$2,000,000 budget for the non-utility portion of the work, another \$1,500,000 is budgeted for the utility improvements. The description of the project as outlined in the voter information packet is:

"This project will convert Chaparral Street into a two way street from Schatzel Street to Williams Street as a demonstration project. This will include new curbs, widened sidewalks including but not limited to textured concrete and/or pavers, street pavement, street lights and traffic control. New trees, shrubs, irrigation, landscape lighting and other amenities are also included."

The June 7, 2012 Staff Report to Council that is attached to this report contains further background on this project (Attachment 1).

Last week, staff met with one of the two local large contractors (Haas Anderson Construction) that built a bid for this project, but ultimately did not submit a bid. We did this to get their perspective on the cost of the project and where we could look for cost reductions. As a result of that discussion and further discussions with the Architect and other consultants on the

project, several design elements have been identified that could be removed from the project to reduce the overall project cost while remaining within the bond project description.

1. Catenary Lighting: \$1,330K
2. Specialized Light and Signal Poles: \$500K (required for the Catenary lighting)
3. District Markers: \$75K
4. Concrete Roadway Pavers: \$210K
5. Concrete Pavers at Intersections only: \$60K
6. Concrete Pavers & Covers at Sidewalks: \$630K
7. Fixed & Removable Bollards: \$110K

Overall cost benefit with these options would be approximately \$2.9M. This would reduce the total construction budget from \$6.4M to approximately \$3.5M. This reduces the additional budget requirements from \$4.8M to roughly \$1.8M.

If decision would be made to approve all the above reduction options, the project would have; a patterned/colored concrete surface street with curbs, eight-foot parking lanes and 12 foot concrete sidewalks. The project will also include landscaping and irrigation, planters, benches, trash receptacles, specialized parking meters to enhance the overall atmosphere of the street. New signals will be installed at the three (3) intersections due to the reconfiguration from one-way traffic to two-way traffic. In addition, AEP lighting fixtures will be installed along the interior of the project to enhance pedestrian safety. New underground infrastructure for Water, Waste Water and Storm Water will also be installed as part of the project.

Conclusion

The City could proceed in several directions at this point including:

Option One: Re-design the project with the cost reductions as outlined above. If directed to proceed with this option, the project would re-bid later this year with an expected Council award in late January or early February next year.

Option Two: The project could proceed awarding the base bid and a combination of additive alternates as currently designed. Additional funding required could come from either surplus Bond 2008 Street proceeds or the City could issue Certificates of Obligations similar to what was done to complete the Bayfront Master Plan Phase 1 construction contract to stakeholder expectations.

Option Three: The project could be discontinued at this time and funded in the future through either a general bond election or through the use of the existing downtown tax increment financing district funds.

If you have any questions, please call Dan Biles, P.E., Director of Engineering Services at telephone number (361) 826-3729 or email at danb@cctexas.com.