



Memorandum

DATE: May 12, 2016

TO: Board of Public Works

FROM: Mark Radtke, Director of Public Works *MR*

RE: Third Street Bridge Replacement Project Bid Results

WisDOT opened bids Tuesday, May 10th for the Third Street Bridge Replacement Project, scheduled for construction this summer/fall. Attached is an email from WisDOT's Management Consultant informing us of the construction project's current estimate based on the lowest bid. The construction estimated amount of \$656,747 is \$121,047 over the pre-bid estimate of \$535,700.

Because our State Municipal Agreement (SMA) with WisDOT capped federal funding participation at \$428,000, the City's estimated project cost is \$228,747. The 2016 Budget includes \$107,000 for the local share of this project, which was based on the estimate from the most recently modified SMA. Therefore, there is an estimated \$121,747 gap for the local share of this project.

WisDOT needs a response from the City imminently to maintain a schedule that assuredly allows completion of the bridge construction and final project close out prior to the SMA project sunset date of June 30, 2017. The City has the following response options:

- **Accept the lowest bid price and provide funding from surplus 2016 Budget funds**

Accepting the bid price would require the City to source an additional \$121,747 from the 2016 Budget. The Common Council is expected to award the contract for Unit 2016-02 at its meeting tonight. This project had extremely competitive bidding and resulted in a budget savings of \$164,549 among various budget accounts so there are sufficient funds to satisfy the estimated budget gap. Additionally, we have heard from the City of Appleton regarding the bid prices for the Midway Road/Southfield Drive intersection work which resulted in an additional \$26,364 of budget savings. The design consultant for the Third Street Bridge is hopeful of executing a change order to remove the coffer dams from the project which may net additional savings for the City, but I do not recommend relying on a certain cost reduction amount.

- **Withdraw the project**

Should the City withdraw the project, the SMA obligates us to reimburse the State for any project costs incurred by the State. WisDOT currently estimates that amount at \$132,000. The bridge is in critical need for replacement because of its structural deficiency and is also functionally obsolete due to its narrow width. If this option is selected, the City would be spending a sizable amount of funds and still have a bridge that needs replacement.

- **Request a project re-bid, hoping for better results**

This option is risky for two reasons. First of all, it is unlikely the re-bid results would provide any relief in prices because the construction schedule would be more compressed due to the later construction start coupled with the potential for some winter construction which is typically higher cost. Secondly, as previously mentioned, this project needs to be closed out prior to June 30, 2017, and the later bid could jeopardize meeting the deadline.

Mayor Merkes, Finance Director Steeno and I met earlier today to discuss the options and analyze the funding availability. Barring a Board of Public Works request to forward this item to the Common Council (which would result in a three week delay or require a special Council meeting), staff intends to respond to WisDOT indicating acceptance of the low bid. The final funding gap would be sourced from available surplus budget funds realized from previous 2016 project bid savings. We were obviously disappointed with the bid results, but believe continuing with the bridge replacement project utilizing the available federal funds is in the City's best interest.

Enclosure

Mark Radtke

From: Rich Glen <richglen@jt-engineering.com>
Sent: Wednesday, May 11, 2016 11:50 AM
To: Mark Radtke
Cc: NE Local Program
Subject: Project ID 4992-01-71 Third Street Bridge - REC

Mark,

I'm sure Ayres has already contacted you to discuss the construction costs for this project, but I thought I would pass along the current total estimated costs for the project. Including the let amount, the total amount of the construction project is currently estimated to be \$656,747. This includes the construction and oversight costs. Please understand, this is the total of all current contracts, it is not a final cost. The actual cost of the project could increase or decrease.

Because this project has been capped, the current federal participation is \$428,000, which results in a \$228,747 estimated cost to the City.

Please work with Ayres to verify that the city is aware of these costs and that they want to proceed with the project (if appropriate). I believe that they need your response by early tomorrow morning to keep the project moving.

If you need additional details or want to discuss further, please feel free to call me. I will be out of the office until Friday morning, but you can reach me on my cell phone at 920.606.6288.

Rich Glen, P.E.

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