



## ENGINEERING & ENVIR. SVCS. DEPARTMENT

Hameed Malik, Ph.D., P.E., Director

### MEMORANDUM

**TO:** Ms. Geri Sams, Director - Procurement

**FROM:** Hameed Malik, Ph.D., PE, Director- Engineering & Environmental Services

**DATE:** Monday, December 26, 2022

**SUBJECT:** TIA PI# 0011389/ Greene Street Improvements Project  
for Augusta, GA -Engineering Department  
RFP 22-294  
File Reference: 22-014(I)

Augusta Engineering is making the following two-part supplemental recommendations for awarding RFP 22-294 - Greene Street Improvements project (Project). Project consists of two segments: i) Segment between 5<sup>th</sup> Street & East Boundary (Local Road Segment (Segment 1)), and ii) Segment between 13<sup>th</sup> Street & 5<sup>th</sup> Street (State Route Segment (Segment 2)).

#### **Segment 1 (5<sup>th</sup> Street to East Boundary):**

Augusta Engineering (AE) is recommending releasing this segment for award to Reeves Construction Company (Reeves) subject to further Value Engineering during construction phase, specifically Traffic Control, Grading Complete, Lighting, and Landscaping items. This segment construction completion duration is 548 calendar days (18 months) from Notice to Proceed (NTP) date. Award recommendation is contingent upon receipt of signed contract, insurance documentation and proper bonds relevant to segment 1 improvements.

#### **Segment 2 (13<sup>th</sup> Street to 5<sup>th</sup> Street):**

Augusta Engineering (AE) is recommending delaying this segment award until project is rescoped. AE is further recommending rescoping this segment's improvements followed by fee negotiation with Reeves Construction (presently the lowest fee proposer). At completion of these efforts, AE will make its recommendations at completion of these efforts.

In case Reeves opt not to accept award as recommended then Augusta Engineering recommending entering fee negotiation and value engineering with second lowest fee proposer, E R Snell Construction.

Should you require additional information, please do not hesitate to contact me at (706)796-5040.

*Thank you.*

/hm

cc: Darrell White & Nancy Williams, Procurement Department  
Compliance Department  
John Ussery & June Hamal, Augusta Engineering  
Program File




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**TO:** Ms. Geri Sams, Director - Procurement

**FROM:**  Hameed Malik, Ph.D., PE, Director- Engineering

**DATE:** Monday, December 26, 2022

**SUBJECT:** Greene Street Improvements Project  
for Augusta, GA -Engineering Department  
Cost Variance Justification  
GDOT PI# 0011389  
RFP 22-294  
File Reference: 22-014(T)

Ms Sams, this memo is to render a justification for cost variance between the "Estimated Cost" and the received Fee Proposal reference the subject project. This project construction consists of road reconstruction, storm sewer, sidewalks, streetlighting, landscaping and traffic operation improvements. Received lowest fee amount is \$36,419,053.95. Fee was subject to value engineering (VE) and negotiation that yielded final fee amount \$31,527,619.78. Augusta Engineering initial estimated cost was around \$25,251,928 and revised estimate is \$29,625,273.77. Internal Estimate was adjusted due to current construction market several uncontrolled variables such as significant increase in material production cost, severe shortage of skilled workforce and significant increase in construction work at present. Accordingly, responsible bidders are adjusting unit process and are not offering similar work last few years pricing. In addition, that is the reason only two (2) fee proposals received.

There is variance of around 6% between received VE fee and adjusted Internal Estimate. In our professional opinion, noted cost variance is acceptable due to current construction market uncertainty. Hence, it is Augusta Engineering recommendation to accept received fee with further VE consideration during construction.

Thank you.

/s:hm

cc: Darrell White & Nancy Williams, Procurement Department  
John Ussery, PE., AE Assistant Director-Traffic Engineering  
June Hamal, AE Associate Director Construction & Program Delivery  
Program File