



City of Dripping Springs

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Agenda Item Report from: [TIRZ Project Manager / Keenan Smith](#)

TIRZ Board Meeting Date:	June 14, 2021												
Agenda Item Wording:	Old Fitzhugh Rd.- 2021 Preliminary Cost Estimate Update												
Agenda Item Requestor:	TIRZ Project Manager												
Board Member Sponsor:	Dave Edwards / Chair												
Summary/Background:													
<p>The Old Fitzhugh Road Concept Plan developed by TIRZ Project Team was approved by City Council August 21, 2018.</p> <p>The work included a “Preliminary Estimate” prepared by the Project Engineer (HDR) dated 6/20/18 (attached). At that time, the “Total Project Estimated Cost” (including all Alternative Bid Items) stood at \$4,822,653.</p> <p>Since its development, the Preliminary Cost Estimate has served as a benchmark, and has facilitated discussions about project funding, TIRZ budget priorities and implementation strategies (including as basis for the Hays County POSAC application). However, given the passage of (3 years) time, regular annual escalation trends, plus the extraordinary inflation conditions being experienced currently in regional and national construction costs, an update was needed. The purpose was to refresh the estimate & establish current project costs, while providing a more accurate “funding target” to guide the parallel OFR Grant Writing efforts.</p> <p>The approved OFR Concept Plan remains the working basis. HDR was directed to update the Preliminary Estimate to “bring the costs current.” Refinements include removing “percentage” soft cost fee allocations (to be covered and more accurately defined in a separate, pending RFP for Plans Specifications and Estimates- PSE’s). Certain cost headings were also re-grouped and re-categorized to facilitate allocations by potential funding types and sources (i.e., Roadway, Pedestrian Elements, Drainage, etc.). Clarification and differentiation between “Quantified” (hard construction) and “Unquantified” (the associated, allocated) costs was also improved. Recap is as follows:</p> <p style="text-align: center;">“Old Fitzhugh Road Cost Estimate- Preliminary Opinion of Probable Construction Costs” (HDR- 6/9/21)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Sum of Quantified Costs:</td> <td style="text-align: right;">\$3,287,000 (Hard Costs)</td> </tr> <tr> <td>Sum of Unquantified Costs:</td> <td style="text-align: right;">\$1,872,000 (incl. 30% Contingency)</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td>Construction Subtotal:</td> <td style="text-align: right;">\$5,159,000</td> </tr> <tr> <td></td> <td style="text-align: right;">-----</td> </tr> <tr> <td>Total 2021 Project Costs (including Related Project Costs*):</td> <td style="text-align: right;">\$6,242,000 (incl. 13% Inflation)</td> </tr> </table> <p>*Engineering & Design (PSE) fees to be defined by separate Scope of Work & RFP Proposal</p>		Sum of Quantified Costs:	\$3,287,000 (Hard Costs)	Sum of Unquantified Costs:	\$1,872,000 (incl. 30% Contingency)		-----	Construction Subtotal:	\$5,159,000		-----	Total 2021 Project Costs (including Related Project Costs*):	\$6,242,000 (incl. 13% Inflation)
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Total 2021 Project Costs (including Related Project Costs*):	\$6,242,000 (incl. 13% Inflation)												

Cost Estimator Notes & TIRZ PM Comments:

1. **Estimator's Design Information:** "Old Fitzhugh Road Final Concept Plan (2018) as approved by City Council.
2. **Estimator's Cost Basis:** TxDOT April 2021 Bid Prices on Quantified Cost items and Engineering Judgement.
3. **Construction Contingency:** 30% was added due to the conceptual nature of the design. This contingency will be tightened & reduced once PSE's work can be advanced and provide more accurate design information.
4. **Utility Relocations and Adjustments:** 8% of Construction Subtotal was allocated, based on preliminary utility conflicts analysis. Further definition & resolution will occur during PSE's which could impact overall costs.
5. **Construction Cost Inflation:** 13% added to "Related Project Costs" due to extraordinary spikes and volatility in materials, supply chains, and labor shortages post-COVID. See attached "AGC 2021 Inflation Alert."
6. **Engineering & Design Costs:** RFP for PSE's Scope of Work and Fees will be issued separately and accounted for in the "Total Project Cost" with more accuracy once detailed proposals are received and negotiated.

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Respectfully Submitted:

Keenan E. Smith, AIA
TIRZ Project Manager

June 9, 2021 / 1740 hrs.