



# STAFF REPORT

## CITY OF GREEN COVE SPRINGS, FLORIDA

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**TO:** City Council Regular Session **MEETING DATE:** July 16<sup>th</sup>, 2024  
**FROM:** Greg Bauer, Assistant Public Works Director  
**SUBJECT:** City Council Approve Pay Application #3 for the West Street CDBG Stormwater Improvements and Highland Sidewalk Improvements to Besch and Smith in the amount of \$913,522.06.

### BACKGROUND

This project award incorporates two sections of the 2020 CDBG-NR grant that the City received in 2021. This project will construct the sidewalk portion as well as the stormwater portion of the grant project, with the CDBG grant funding \$600,000 of the work.

The city received two bids on this project. Besch and Smith submitted a bid of \$4,963,773.23 and CGC submitted a bid of \$9,111,431.00. The Besch and Smith bid is approximately \$2,000,000 over budget. Staff met with Besch and Smith and identified \$263,413.53 in value engineering opportunities as well as at least \$334,400.50 in direct purchasing opportunities, which will result in approximately \$23,000 in tax savings by the City purchasing the materials directly.

The recommended award amount of \$4,700,359.70 includes the reduction of \$263,413.53 in value engineering items for the stormwater portion of the project. The direct purchase items will be removed from the contract by change order once awarded to realize the tax savings to be applied to the stormwater portion of the project as well. Staff recommends award of the project to Besch and Smith in the amount of \$4,700,359.70.

### FISCAL IMPACT

As presented, the sidewalk portion of the project is \$670,223.49. This item is not specifically included in the FY 2024 approved budget; rather it was not completed in FY 2023. This portion of the contract will be funded by:

- \$267,000 in CDBG grant funds, and
- \$403,223.49 in funds re-allocated from the “Dirt Road Paving Program” line item upon Council approval.
  - As discussed during the budget process this year, the City does not intend to use dirt road funding to pave dirt roads.

The stormwater portion of the project represents the remaining \$4,030,136.21. This portion of the project will be funded by:

- \$1,000,000 of unexpended funds from the FY 2023 CIP budget for this project,
- \$333,000 in CDBG grant funds,
- \$1,176,936 in stormwater loan proceeds intended for this project, and

- \$1,520,200.21 in stormwater loan proceeds intended for the Oakridge and Highland project upon Council approval.

This stormwater funding plan along with the incorporation of the \$8,500,000 loan and additional loan-funded projects will be presented to Council at a future meeting in a formal budget amendment.

Original contract price- \$4,030,136.21

Remaining contract amount- \$3,027,683.74

Please note for record keeping purposes pay application #1 was submitted in April with the amount of \$0.00 requested. The contractor began construction on the sidewalk portion of the project during this time period.

## RECOMMENDATION

**Approve Pay Application #3 for the West Street CDBG Stormwater Improvements and Highland Sidewalk Improvements to Besch and Smith in the amount of \$913,522.06.**