

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: September 9, 2021

DEPARTMENT: Public Works / Finance

TITLE:

LWB Fleet Facility – Updated Funding

SUMMARY:

In light of the current market, the cost of construction has steadily increased due to multiple factors. Therefore, the multicomponent project funding originally structured in 2020 needed to be reevaluated and slightly modified.

BACKGROUND AND JUSTIFICATION:

The Public Works Department's existing Fleet Facility is 58 years old and beyond its useful life. On January 7, 2020, the City accepted proposals from qualified firms for the assessment, design, bidding, and construction administration services. ACAI Associates was the selected firm based on the Selection Committee's review of the submitted proposals and presentations.

On 12/15/20, Public Works brought forth an agenda item to the Commission for a Professional Services Agreement with ACAI Associates authorizing the consultant to proceed with architectural, civil, LEED design, and Construction Administration Services for the Public Works Fleet Facility at a cost not to exceed \$780,768.00.

The original project was budgeted for \$4.5 million consisting of \$3.0 million from the shared Utility (Electric and Water/Sewer) and \$1.5 million from sales tax. While progressing through the design process, it has become evident that this initial budget from almost two years ago will not be sufficient in today's construction market; even after reducing the original building scope. As a solution, staff is recommending to match the \$1.5 million from sales tax dollars with \$1.5 million from the Refuse enterprise fund balance, bringing the new total project budget to \$6.0 million. Just as with the Electric, Water, and Sewer departments, Fleet Services also operates out of the City Garage and maintains heavy equipment in the Refuse department. This is our justification for the Refuse Fund's participation in the new facility project. Using funds from the Refuse department will not necessitate a rate increase in the near term.

MOTION:

Move to approve/disapprove supplementing the project budget with \$1.5 million from the Refuse enterprise fund balance.

ATTACHMENT(S):

Fiscal Impact Analysis
Explanation of Construction Inflation