



# STAFF REPORT

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**Meeting Type:** Sandy Urban Renewal Board meeting  
**Meeting Date:** September 18, 2023  
**From:** David Snider – Economic Development  
**Subject:** Approval of Increased Project Cost: Tollgate Inn Covered Structure

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## DECISION TO BE MADE:

Whether to approve the increased cost of project #21-010 FAC, a project to build a covered structure at the Tollgate Inn & Bakery.

## BACKGROUND / CONTEXT:

This proposal represents the final covered structures project to be completed for the Permanent Outdoor Covered Structures program that was launched during the pandemic. This report details the results of a second round of bids for this project and seeks additional approval from the Sandy Urban Renewal Board as required by program rules due to the fact that the winning bid was more than 10% higher than the original projected cost of the project.

**Project #21-010 FAC** is a proposal to install a covered structure in the current “courtyard” space next to the primary entrance to the Tollgate Inn & Bakery, located at 38100 Highway 26. The makeup of this particular covered structure proposal is different than all other covered structures built through this program as it incorporates an opaque roof to let in natural sunlight. This in turn requires a metal frame structure with acrylic roofing, which was identified by the architect on this project as a kit to be purchased from American Patio Covers (APC). This manufacturer also has a list of six *preferred contractors* to perform local area installations. An application for this project was originally approved by the Sandy Urban Renewal Board after the first round of bidding between three of these preferred contractors produced a winning bid of \$50,892 and a runner-up bid of \$104,975 on March 27<sup>th</sup> of this year.

Shortly after the winning bidder was selected, staff received notification from that firm that they found errors in the architect’s plan set, and that they would need to order extra materials and provide extra labor in order to correct these errors. The change order they were asking for amounted to a 42% increase in the cost of the project. After re-reviewing the project, the architect, Building Official and Development Services Director all agreed that there were no obvious errors in the design and that the change order requested was not necessary.

After a discussion between city staff, the architect and the applicant, all agreed that a re-bid was the best path to take. The bid request was re-posted on July 26<sup>th</sup> but some slight changes were made to the scope of work. The total fixed cost of the metal frame and acrylic structure and the dry fire sprinkler head was added to the bid request sheet, as these costs are set by the manufacturer and should not change. The architect also confirmed with APC that their structures could be constructed by general

contractors and were not *required* to be built by APC's preferred contractors, so we reached out to some general contractors in the area for bids.

**KEY CONSIDERATIONS / ANALYSIS:**

The winning bid in this second round of bidding was provided by Steve Traxler of Oregon City for **\$82,100**. The penultimate bid was from Mountain View Contracting of Sandy for **\$84,898**, showing that the second round of bidding using general contractors was much more competitive than the first. The average winning bid for structures completed thus far in the second round of the Covered Structures program (La Bamba, Smoky Hearth, Wippersnappers) is currently **\$102,077**.

We are bringing this final iteration of the project back before the SURA Board one more time as the winning bid is in excess of 10% over the high end of the original staff estimate range (\$70,000) given to the SURA Board in July of 2021, which was the program rule at the time. If approved, this will be the final Covered Structures project constructed in Sandy.

**BUDGET IMPACT:**

The winning bid for the construction of Project #21-010 FAC was **\$82,100**. The Covered Structures program covers 80% of project costs up to \$100,000, therefore the cost to the Urban Renewal budget for the construction of this project will be **\$65,680**.

While this particular project did not receive a specific line item in the 2023-2025 urban renewal budget, the budget does include \$400,000 for grants in general including the façade and tenant improvement programs.

**SUGGESTED MOTION LANGUAGE:**

"I move to approve the amended project cost for Urban Renewal Project #21-010 FAC, as proposed."

**LIST OF ATTACHMENTS / EXHIBITS:**

- 21-010 FAC Tollgate Inn covered structure – TITLED PLAN SET
- 21-010 FAC Tollgate CS - scanned bid sheets from 2<sup>nd</sup> round of bidding