



REQUEST FOR COUNCIL ACTION

Title: Request for Council Action - 9th Avenue Waterline Replacement Project – Contingency Budget

Preferred Agenda: April 28, 2023

Submitted By: Trish Rice, Engineering Tech 2
Greg Springman, Public Works Director

Reviewed By: Kelcey Young, City Manager

Type of Action: Resolution ____ Motion ____ Roll Call X Other ____

Relevant Code/Policy: n/a

Towards Council Goal: Goal 1.1 Develop specific steps for implementation of the adopted infrastructure master plans

Attachments: N/A

Purpose of this RCA:

Staff requests authorization of owner-controlled contingency funds for the 9th Avenue Waterline Replacement Project.

Background/Context:

This request is to correct oversight of a technicality on the previous request. On August 9, 2022, Council awarded the contract to Trench Line Excavation for Schedule A of the 9th Avenue Waterline Replacement Project for \$663,865.27. The work includes replacement of the waterlines and services, added fire hydrants, and street restoration overlay and corner ramp replacements (which is an ADA requirement when overlaying improved streets). Work began on April 6, 2023 and has progressed expediently. All mainline pipes have been installed and work on the services is in progress.

The previous staff report referred to a 15% contingency in the narrative, but missed including those funds in the formal authorization request. As the project includes a large quantity of asphalt paving, contingency is necessary as final quantities will not be known until after completion. Staff requests authorization for 15% owner-controlled contingency funds (\$99,579.79). This is well within the original construction budget of \$985k.

The Challenge/Problem:

How do we make efficient use of limited funds to complete needed water projects?

Stakeholders:

- Sweet Home Residents – Residents deserve well-maintained City infrastructure that meets their needs and improves their quality of life.

- Sweet Home City Council – The City Council has a goal to provide viable and sustainable infrastructure that serves development and improves residents' quality of life.
- Sweet Home City Staff – City Staff have an interest in completing projects that empower them to meet the Council's goals and which reduce staff time spent on reactive repairs.

Issues and Financial Impacts:

The contract value is \$663,865.27. The project budget is \$985k funded primarily by ARPA and with up to \$45k included for paving Grape St (which is currently unimproved and therefore ineligible for ARPA).

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Elements of a Stable Solution:

A stable solution will provide efficient completion of needed water maintenance and improvements.

Options:

1. Option 1 – Move to authorize the contingency budget as requested. Recommended.
2. Option 2 – Move to authorize a different contingency budget. Not recommended.
3. Option 3 – Do nothing. Not recommended.

Recommendation:

Staff recommends Option 1 – Move to authorize the contingency budget as requested.