



REQUEST FOR COUNCIL ACTION

Title: ODOT US 20 53rd – 60th Avenue Sidewalk Project Water Line Relocation

Preferred Agenda: February 1, 2022

Submitted By: Blair Larsen, Community & Economic Development Director

Reviewed By: Ray Towry, City Manager

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

Relevant Code/Policy: N/A

Towards Council Goal: Aspiration I, desirable community; Goal 3.2: Community Safety.

Attachments: Intergovernmental Agreement with ODOT for the US 20 53rd – 60th Avenue Sidewalk Project

Purpose of this RCA:

The purpose of this Request for Council Action is to inform the Council of developments with the ODOT US 20 Sidewalk project, and obtain approval for moving forward with the project.

Background/Context:

This Project was approved by the Oregon Transportation Commission (OTC) into the 2016 ODOT Statewide Transportation Improvements Program (STIP), starting with applications in 2012. The previous Agreement was signed into effect from 8-28-2017 to 9-12-2017. At that time, we had a larger project, but the design was increasing the project costs. Due to the escalation of project costs, the City and ODOT reduced the scope of work, which resulted in Amendment #1 to the project. Even with the project re-scoping, one of the main concerns was the stipulation that any project cost overrun above the City's \$300K commitment and the ODOT allocation, would be the responsibility of the City to cover. That ambiguity and uncertainty was considered risky.

The project was then "down-scoped" to a single 10ft wide Multi-Use Path on the North side of Main St., from 55th Avenue eastward to the west side of the AERR bridge area, along with a segment east of the bridge area to 60th Avenue. Separately sourced funds were made available from ODOT for the two RRFB Pedestrian crossing locations (described below) to not affect the primary project elements. These changes reduced the estimated cost.

In October, a new agreement with ODOT was approved by the Council which clarified the changed responsibilities and project scope for the project. The Council expressed concern about cost overruns, and ODOT agreed to seek approval from the City before awarding the contract, in order to give the City an opportunity to comment at that time on costs.

ODOT is now in the midst of their procurement process and have received bids for the project. The low bidder and likely recipient of the award, is within the approved budget, however

ODOT's required contingency percentage would put it over budget by \$155,000. If that contingency were needed, the City would be responsible for the funds, however, ODOT has generously offered to cover this overage. They have stressed that this offer is only for the \$155,000 contingency, and not for any overage beyond that. However, they also stated that additional project costs are quite unlikely.

Finally, the City has run into another issue with the project. When work is done in a right-of-way, it is the responsibility of individual utilities to move their lines, if necessary. Normally, the City is the one requiring a private utility to move out of our way. Unfortunately, in this case, the City is on the other side. US 20 is ODOT's right-of-way, and the project design, as it stands, requires a large City water line to be moved to make way for changes to ODOT's storm drain system. The cost of this water line relocation is not considered a project cost under the IGA—it is a cost for the water utility (the City) to bear. The City has obtained bids from three contractors for this work, and they range from \$76,000 to \$131,000.

Normally, ODOT requires all utilities to move their lines before project construction begins. However, in this case, they are allowing the City to move its water line in conjunction with project construction. They suggest that additional savings could be gained by utilizing ODOT's contract recipient to do this work. This would save on mobilization and excavation costs.

Because ODOT has already begun the procurement process, they cannot change the designs for this project without starting the procurement process over again, which would drive costs for the project up. Once a contract is awarded, however, there is a chance that a change order (something that normally increases costs) could further reduce costs to the City.

This project, reduced in scope as it is from the original submittals, is still an important benefit to the city and community. The connecting link from 60th Avenue and Foster Lake to the Foster neighborhood with sidewalks and bike lanes to the rest of the city, is an important link for tourism and economic development.

The Challenge/Problem:

How does the City move forward with the ODOT US 20 53rd-60th Avenue Sidewalk Project?

Stakeholders:

- Sweet Home City Council – The City Council is responsible for approving agreements with other governmental agencies, and for authorizing the work that will accomplish its goals.
- Sweet Home Residents – Residents deserve safe pedestrian access along Main Street to Foster Lake.
- Sweet Home Staff – Staff work to address residents' concerns and accomplish the Council's goals within approved budgets.
- ODOT– ODOT has jurisdiction over any improvements made within the US 20 right-of-way.

Issues and Financial Impacts:

Staff has received bids for this work ranging from \$76,000 to \$131,000. It is possible that after the contract is granted, changes to the design or other cost-saving measures may be taken, however, at this point, the work will cost at least \$76,000.

Relocating a water main is not a budgeted expense given the unanticipated nature of the project. While existing expenditure authority could cover the costs, cost overruns with the overall sidewalk project from 54th to 60th Ave threaten to eat all or a portion of any available expenditure authority. Allowing the project to proceed may require additional budgetary action to comply with Oregon Local Budget Law for the current fiscal year.

If the City chooses to stop the project entirely, the IGA states that the City is responsible for all costs incurred thus far. According to ODOT, this amounts to over \$900,000.

Elements of a Stable Solution:

A stable solution includes increasing pedestrian amenities in the City within acceptable costs.

Options:

1. Continue to move forward with the ODOT Sidewalk Project by consenting to ODOT entering into a contract with the low bidder – Allowing the procurement process to continue will allow a contract to be signed and construction to begin.
2. Pull out of the ODOT Sidewalk Project – Under the agreement, pulling out of the project will leave the City liable for all costs expended on the project so far, which, according to ODOT, is over \$900,000.

Recommendation:

Staff recommends option 1: Motion to continue with the ODOT Sidewalk Project by consenting to ODOT entering into a contract with the low bidder