



**TWO
RIVERS**
WISCONSIN

PUBLIC WORKS
Engineering Division
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Date: February 16, 2023
To: Greg Buckley, City Manager
From: Matthew R Heckenlaible, PE, City Engineer / Public Works Director *mrh*
Re: WisDOT Project ID 4998-06-00/71 Emmet Street State/Municipal Agreement Recommendation

Public Works Engineering received a copy for the State/Municipal Agreement for the Emmet Street (17th Street to 22nd Street) project in late January. As previously discussed, there were intentions to bring this forward for City Council to authorize the execution of the agreement at the February 6th meeting. Just prior to that meeting, I received an e-mail correspondence from WisDOT inquiring as to the status of the execution of the agreement had voiced some concerns pertaining to the funds that were requested for this project for both engineering and construction.

Since this is a Surface Transportation Program – Urban (STP) project, it allocates federal funds to complete improvements to federal-aid-eligible roads and streets in urban areas. These federal funds are capped at 80% of the requested amount and all cost overruns, whether on the engineering or construction side, would then be the responsibility of the City.

As part of the application process, the City requested \$34,000 for engineering and \$204,337 for construction. The 80% capped federal allocations would be \$27,200 for engineering and \$157,766 for construction. The WisDOT Local Program Project Manager stated that he wanted to make sure that the City was aware of the federal funds being capped and that all overruns are the City's responsibility as in his experience a project of this type the engineering services would range from \$60,000 to \$112,000 and construction could range from \$400,000 to \$600,000 which is significantly above what was estimated within the original application.

It is my understanding that reasonable engineering and construction costs were considered during the application process for projects that were designed and bid locally and not costs that could be recognized through the WisDOT process.

Therefore, it is my recommendation that the City should not enter into this State/Municipal Agreement for the Emmet Street project and potentially incur significant cost overruns that are not accounted for in this years budgets. WisDOT suggested that we submit a future application with up-dated costs in a future funding cycle.



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