

# Council Business Meeting

July 7, 2020

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|--------------------|--|--|
| <b>Agenda Item</b> | Construction Completion Report for Hersey Street Reconstruction and Laurel and Hersey Street Railroad Crossing Improvements  |  |
| <b>From</b>        | Scott Fleury, PE<br>Karl Johnson, EIT  | Interim Public Works Director<br>Project Manager |
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## SUMMARY

On June 4, 2019, Council approved a construction contract with LTM, Incorporated dba Knife River Materials for the combined project of both the Hersey Street reconstruction and the railroad crossing improvements at Laurel and Hersey for a total contract amount not to exceed \$3,041,300. At the same meeting Council approved a personal services contract for phase 3, construction contract administration, construction engineering and inspection services with OBEC (DOWL) Consulting Engineering for an amount not to exceed \$469,925. Council further enacted a five-year street cut moratorium to the affected street section upon completion.

This item serves as a completion report on the Hersey Street project. In summary, the budget for design, construction, and construction services for the combined Hersey Street project was \$4,500,000. The total expenditure is expected to be \$4,179,987. Construction began in June 2019 with all paving completed in October 2019 and Knife River completed the last of the concrete sidewalks in February 2020 well ahead of their initially proposed May deadline. Some minor items remain to be resolved, but the project is substantially complete and has been accepted by Public Works.

## POLICIES, PLANS & GOALS SUPPORTED

City Council Goals:

- Goal 1: Develop current and long-term budgetary resilience -- Evaluate revenue streams
- Goal 2: Analyze City departments/programs to gain efficiencies, reduce costs and improve services
  - Evaluate and communicate street program timelines and funding security
- Goal 3: Enhance and improve transparency and communication
  - Develop a robust program to engage with Ashland citizens about City priorities and our progress on those priorities.

Maintain *Essential Services*

Continue to leverage resources to develop and/or enhance *Value Services*

Multi-modal Transportation

All-Age Friendly Community

Current Transportation System Plan:

- Make safety a priority for all modes
- Maintain small-town character, support economic prosperity and accommodate future growth.
- Create a system-wide balance for serving and facilitating pedestrian, bicycle, rail, air, transit, and vehicular traffic in terms of mobility and access within and through the City of Ashland.

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Deliver timely life cycle capital improvement projects
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

### **PREVIOUS COUNCIL ACTIONS**

On February 6, 2018, Council approved a personal services contract for professional engineering and design services for the Hersey Street Reconstruction Project with OBEC Consulting Engineering for an amount not to exceed \$627,525.

Council approved the Capital Improvements Program (CIP) on April 2, 2019. The CIP includes the Hersey Street reconstruction and the railroad crossing improvements at Laurel and Hersey in the 2019-21 biennium.

On June 4, 2019, Council approved a construction contract with Knife River Materials for the combined project for the Hersey Street reconstruction and the railroad crossing improvements at Laurel and Hersey for a total contract amount not to exceed \$3,041,300. At the same meeting, Council approved a personal services contract for phase 3, construction contract administration, construction engineering, and inspection services with OBEC Consulting Engineering for an amount not to exceed \$469,925.

### **BACKGROUND AND ADDITIONAL INFORMATION**

The City of Ashland released the Invitation to Bid (ITB) documents resulting in a public improvement contract for supplying all labor, equipment, and materials necessary to construct the Hersey Street Reconstruction Project No. 2017-09, and the Laurel & Hersey Street Railroad Crossing, Project No. 2011-36. Both projects included the following major work items: earthwork and drainage, full depth reclamation, asphalt concrete paving, miscellaneous concrete structures, and electrical. The ITB was posted on the Oregon Procurement Information Network (ORPIN) on April 16, 2019, and documents were also on file at the Community Development Building at 51 Winburn Way. Bids were received and opened on May 14, 2019. Two bids were received from Knife River Materials and Pilot Rock Excavation, both deemed responsive. Knife River Materials provided the lowest bid.

As this was a full rebuild of the street, and the construction project is substantially complete and accepted by the City, a five-year moratorium will be placed on any asphalt cuts within the improved area of Hersey Street. Should an emergent requirement arise during this five-year period that required a utility, business or homeowner to make a cut into this new asphalt, the City, in addition to all requirements set forth in the Ashland Municipal Code section 13.12, would also require a full half street overlay of the affected area to maintain the integrity of the investment the City has made to Hersey Street.

### **FISCAL IMPACTS**

The 2019-21 Street Division Biennium Budget (BN) included funds for contracted services (capital improvement program) in the amount of \$4,500,000 for this project, with revenues coming directly from the re-apportionment of food and beverage tax monies into the street fund and collected revenue from Transportation Systems Development Charges.

This project also included construction engineering services with OBEC Engineering, Inc., for the Hersey Street Reconstruction and Laurel & Hersey Railroad Crossing Improvements Projects. The construction estimates developed by OBEC for Hersey Street reconstruction were \$3,007,756 and \$395,717 for the railroad crossing improvements. The low responsive bid by Knife River Materials for the project was \$3,041,300 and included both the Hersey Street Reconstruction and Railroad Crossing improvements. The bid amount for the total project was \$362,173 below the engineer's estimate and well within the budgeted amount approved in the 2019-21 BN.

**Costs to Date:**

Professional Engineering and Design Services (complete): OBEC Consulting Engineering

Contract \$627,525 Total Spent \$561,285.76 90% NO change orders (\$66,240 remaining)

Construction (punch list):

Knife River Materials

Original Contract \$3,041,300

Total Spent \$3,266,259.82

Total Changes:

|                          |  |                      |
|--------------------------|--|----------------------|
| CCO 1                    | paid by Avista for specialized excavations on high pressure line | \$188,782.20         |
| CCO 2                    | adjustments for materials, extras and delays                     | \$28,029.60          |
| CCO 3                    | adjustments for materials, extras                                | \$8,148.02           |
| <u>CCO Overall Total</u> |  | <u>\$ 224,959.82</u> |

Construction Administration

OBEC/DOWL Consulting Engineering

Contract \$469,923 Total Spent \$352,442 75% NO change orders (\$117,480 remaining)

**Total Project Cost: \$4,179,986**

This construction project had three change orders; the first was negotiated and paid on a time and materials bases by Avista Utilities as the work was required to expedite the excavation around and near the high-pressure gas lines with a slurry back fill to protect the lines. Avista agreed to reimburse the City for the work performed by KRM. A change for \$188,782.20 was included in the overall payments to KRM and fully reimbursed to the City by Avista.

The second change (CCO 2) was primarily due to the City’s need to change from the originally specified full depth reclamation which would have had a giant rototiller type machine grind through 19 inches of base and subbase back to the traditional full dig out and replace. The amount of underground shallow depth phone and other utility services necessitated this change. Staff, OBEC/DOWL and KRM, through considerable trust and the development of an excellent professional working relationship came to full agreement on the terms of a beneficial time and materials change order that enabled the work to continue with minimal delay in schedule and minimal extra costs. The second change order in the amount of \$28,029.60 which includes compensation for the difference in bid quantities that were not required. There were two items that were overlooked and not included in CCO 2 but are reflected in CCO 3. The total for change orders #1 and #2 was for 1.2 percent of the original construction bid amount and total project cost was under the initial planning level estimate.

**STAFF ACKNOWLEDGEMENTS**

The street project on Hersey Street has been anticipated for several years. The community and especially the residents and businesses that use Hersey multiple times daily have been supportive and patient of heavy construction for a year. We truly appreciate those that accommodated the detours, noise and dust and hope the final result was worth the “pain”.

**ACTIONS, OPTIONS & POTENTIAL MOTIONS**

Acknowledge the staff’s acceptance that construction is substantially complete and the five-year street cut moratorium has begun effective April 1, 2020 through March 31, 2025

**REFERENCES & ATTACHMENTS**

N/A