



TO: T.C. Broadnax, City Manager
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer
 Tom Rutherford, P.E., Project Manager, Public Works Engineering
SUBJECT: Milwaukee Way Overlay Project, No. PW13-0679F
DATE: May 29, 2014

The Public Works Department is recommending a contract be awarded to low bidder Tucci & Sons, Inc. of Tacoma, for completing an asphalt pavement grind and overlay of Milwaukee Way from approximately Lincoln Avenue to 600 feet south of Marshall Avenue. This contract will be on the June 3, 2014, Council agenda. The contract amount reflects a base award of \$427,485.53, plus approximately 48.5 percent in contingency, for a cumulative amount of \$634,777. This memorandum compares the engineer's estimate to the low bid and describes how Public Works Engineering plans to use the exceptionally large contingency to maximize the grant funding available for the project by increasing the amount of road to be repaved during the project.

The City obtained a \$750,000 federal grant to design and construct improvements to Milwaukee Way. The amount of the grant and the City matching funds are summarized below:

<u>Project Phase</u>	<u>Federal Share</u>	<u>City Match</u>	<u>Total</u>
Design	\$112,500	\$17,558	\$130,058
Construction	\$637,500	\$99,494	\$736,994
Total	\$750,000	\$117,052	\$867,052

Public Works Engineering completed the design this spring and, based on past bid prices, estimated the construction contract at \$550,251 with a 15 percent contingency, bringing the total estimated construction contract amount to \$632,789. The five bid submittals received for the project ranged in cost from Tucci & Sons' bid of \$427,485.53 to a high bid of \$590,272.14.

Of the \$736,994 construction funding available for the project, Public Works estimates that \$634,777 can be allocated for the construction contract after deducting construction management and material testing costs. This is approximately \$207,000 over the low bid. The grant funding for this project allows the City to use excess funding to extend the limits of the project; therefore, to maximize the grant funding, a portion of the proposed 48.5 percent contingency will be used to increase the amount of the roadway to be repaved from 1,600 linear feet to 2,400 linear feet (see attached figure for the approximate extents of the additional paving). Therefore, the contingency actually represents approximately 33.5 percent additional project scope and 15 percent construction contingency.

If further clarification is needed, please contact Tom Rutherford.

05/28/2014

Lincoln Avenue

No Scale

Base Project

Milwaukee Way

Marshall Avenue

Extend Project

