



City of Homer

www.cityofhomer-ak.gov

Public Works

3575 Heath Street
Homer, AK 99603

publicworks@cityofhomer-ak.gov

(p) 907- 235-3170

(f) 907-235-3145

Memorandum 22-075

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: May 5, 2022
SUBJECT: Main Street Sidewalk Construction – Request for Additional Appropriation

I. Issue: The purpose of this Memorandum is to request an additional appropriation from HART Road funds for the construction of the Main Street Sidewalk.

II. Background:

The lowest responsive, responsible bidder for the construction of the Main Street Sidewalk was East Road Services, with a bid price of \$1,148,123.11. The Engineer's Estimate is \$1,147,638.90, indicating the low bid is fair and reasonable. The FY22 Capital Budget, as well as the Homer Road Financial Plan, the City's roadmap for the expenditure of HART Road funds, includes \$1,100,000 for the construction of the Main Street Sidewalk. We need an additional appropriation to cover the extra \$48,123.11.

Further, it's prudent to include a small contingency. This is a unit price bid, meaning the actual price to be paid to the contractor will be based on actual cubic yards of earth excavated, actual square yards of asphalt sidewalk laid, actual linear feet of concrete curb installed, and so forth. There are 35 individual bid items and most of them are paid on the basis of separately counted/measured units. This means the actual price paid to the contractor will, in all likelihood, be different than the bid price. It could be lower, it could be higher. This is particularly true when it comes to underground work, such work related to storm drains, which is included with this project.

For example, in 2020, we replaced a number of the storm drain leads that run from the ditches to the storm drain main that is laid in Main Street, because the leads were highly corroded and leaking. If we discover that more of the existing storm drain needs to be replaced, the costs will go up. We recommend a modest contingency be provided so we can address issues like this as they arise, rather than have to come back for additional funds in the middle of construction. A 5% contingency, or \$57,406, would not be unreasonable.

Recommendations: Appropriate an additional \$106,000 from the HART Roads Fund.

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Additional Funding Construction Main Street Sidewalk</u>	DATE	<u>05/04/2022</u>
DEPARTMENT	<u>Public Works</u>	SPONSOR	<u>City Manager/PW Director</u>
REQUESTED AMOUNT	<u>\$ 106,000</u>		

DESCRIPTION	<p>The FY22 Capital Budget, as well as the Homer Road Financial Plan includes \$1,100,000 for the construction of the Main Street Sidewalk, leaving a budget shortfall of \$48,123. We recommend a 5% contingency (\$57,406) be provided so we can address issues like this as they arise, rather than have to come back for additional funds in the middle of construction. These additions bring the requested appropriation to \$106,000.</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	100%	0%	0%	0%

FUNDING SOURCE 1: HART-ROADS	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 7,420,355</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 3,000,595</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 106,000</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 1,761,228</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 2,552,532</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____