

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: Lance Norris, Public Works Director
Ken Pennoyer, Business Management Director
David Bonk, Long Range and Transportation Manager
Kumar Neppalli, Engineering Services Manager

SUBJECT: Authorization of Award of Contracts for American Recovery and Reinvestment Act (ARRA) Projects

DATE: November 23, 2009

PURPOSE

The purpose of this memorandum is to provide information to Council about recommended actions that allow the Town to proceed with ARRA Funded Projects.

BACKGROUND

The federal American Recovery and Reinvestment Act (ARRA) of 2009 provides funding for transportation projects including highways, transit, rail, airports, and enhancements. The funding provides up to 100 percent federal funding with no local match requirements. A portion of the funds are being provided through existing funding programs such as Surface Transportation Program (STP), Surface Transportation Program Direct Allocation (STPDA), and the Section 5307 transit program. The NCDOT will be managing the ARRA STP projects, local governments will be implementing the ARRA STPDA projects, and transit agencies will be implementing the ARRA Section 5307/5340 projects. The Town of Chapel Hill has been allocated \$1,171,563 from the STP DA program for transportation projects.

At its June 22, 2009 meeting, the Council approved a resolution authorizing the Town Manager to enter into Municipal Agreements with NCDOT for the following projects:

- Pedestrian Safety Improvements along Martin Luther King Jr. Boulevard and selected locations - \$350,000.
- Sidewalk Construction: US15-501/NC54 (Manning Drive to Old Mason Farm Road) - \$185,000
- ADA ramps at selected locations - \$50,000
- Raised crosswalks/traffic calming - \$50,000
- Installation of in-street pedestrian lighting at three locations (Willow Drive, Rosemary Street and Raleigh Street) - \$61,563.
- Morgan Creek Greenway, Phase I - \$300,000
- Bike Detection Loops-Signal System Upgrade: Town-wide- \$175,000

At the June 22, 2009 meeting, the Council enacted a budget ordinance to receive the ARRA funding for the above projects.

The Town entered into the Municipal Agreements for the above projects in July, 2009. Bicycle detection loops are part of the traffic signal system project and the project is administered by the State. Recently, the State awarded the contract and the work is expected to start next month.

A separate memo will be provided to the Council regarding Morgan Creek Greenway, Phase I project.

The Town must sign contracts before December 31, 2009 to meet the federal schedule on ARRA transportation funded projects.

DISCUSSION

In October 2009, the Town solicited bids for the following ARRA projects:

- Pedestrian Safety Improvements along Martin Luther King Jr. Boulevard and selected locations
- Sidewalk Construction: US15-501/NC54 (Manning Drive to Old Mason Farm Road) -
- ADA ramps at selected locations
- Raised crosswalks/traffic calming
- Installation of in-street pedestrian lighting at three locations (Willow Drive, Rosemary Street and Raleigh Street)

In order for firms to bid on these projects as the prime contractor they must have been prequalified by the North Carolina Department of Transportation (NCDOT) prior to submitting their bid. Firms that wish to participate as subcontractors must be prequalified prior to beginning work on a given project.

The lowest bids received for the above projects and the existing budget, including the estimated cost of the construction engineering inspection (CEI) services by NCDOT pre-qualified consulting firm, are provided in the following table.

Project ID	Description	Total Budget	Design Cost	Lowest Bid	CEI Cost	Estimated Cost	Remaining Funds
U-4726 IA	ADA Ramps	50,000	0	40,890	6,150	47,040	2,960
U-4726 IB	Traffic Calming	50,000	0	56,689	8,500	65,189	(15,189)
U-4726 IC	Pedestrian Refuge Islands	350,000	33,900	321,752	48,300	370,052	(51,152)
U-4726 ID	In-Street Pedestrian Lights	61,563	0	78,600	11,800	90,400	(28,837)
U-4726 IE	Sidewalk on US 15-501/NC 54	185,000	0	124,011	18,600	142,611	(42,389)

In order to award the contracts and continue with CEI services by a private engineering firm, we would need an additional total amount of \$95,178 for all five projects without shifting funds

from one project to another project. For four projects (without U-4726 ID), an additional amount of \$66,311 is required without shifting funds from one project to another project.

The funds allocated for these projects are distributed through Durham-Chapel Hill/Carrboro Metropolitan Planning Organization MPO (STPDA ARRA funds). At the beginning of this process the North Carolina Department of Transportation indicated that funds made available due to lower than expected construction bids for individual projects or through the cancellation of individual projects could be reallocated to other projects within the overall program for which bids were received that were higher than anticipated.

Recently NCDOT informed local jurisdictions that they would not allow any reallocation of funds from any project with lower than expected bids or from cancelled projects to other projects. Working with the MPO staff we have questioned the appropriateness of this policy and hope to persuade NCDOT to allow the reallocation. It is our understanding the NCDOT is reassessing their guidance on this issue.

We recommend the following actions regarding required funding for the projects with bids exceeding the allocated budget:

- 1) Cancel the bids for U-4726 ID, in-street pedestrian lighting project. We recommend cancellation of the bids for this project because the estimate is significantly higher than the estimated cost and the contractor who provided the lowest bid indicated that they may not be able to meet the project specifications.
- 2) Shift the funds from the project for which we received a low bid to projects for which we received higher bids and from U-4726 ID if NCDOT modifies their recent guidance concerning the reallocation of funds. If the NCDOT does not agree with the Town request for shifting of funds, we recommend that the Council authorize the Manager to use up to \$67,000 from 2003 sidewalk and bond funds to cover the excess cost required for the four projects and allow them to go forward.

NEXT STEP

The Town must sign contracts before December 31, 2009 to meet the federal schedule on ARRA roadway funded projects. If the Council adopts the attached resolution, the Town will send the resolution and submitted bid proposals with recommendations for award of contract to NCDOT. Upon receiving approval from NCDOT, the Town Manager will enter into agreements with the contractors for the four projects listed above and enter into an agreement with a private engineering consulting firm for construction engineering inspection services.

RECOMMENDATION

That the Council adopt the attached resolution that would:

- 1) Authorize the Town Manager to award contracts not to exceed \$696,563 for the following projects funded by American Recovery and Reinvestment Act (ARRA) 2009.
 - Pedestrian Safety Improvements along Martin Luther King Jr. Boulevard and selected locations.

- Sidewalk Construction: US15-501/NC54 (Manning Drive to Old Mason Farm Road).
 - ADA ramps at selected locations.
 - Raised crosswalks/traffic calming.
- 2) Authorize cancellation of bids for in-street pedestrian crosswalk lighting systems.
 - 3) Authorize the Town Manager to enter into agreement with a private engineering firm for construction engineering inspection services of these ARRA projects
 - 4) Authorize the Town Manager to use up to \$67,000 of 2003 Sidewalk and Bond Funds for the ARRA projects if the NCDOT does not allow shifting of funds from one project to another project within the allocated ARRA funding for Chapel Hill.
 - 5) Authorize the Town Manager to enter into any supplemental agreements with the NCDOT and MPO that are determined by the Manager to be necessary and appropriate to allow the redistribution of the funds awarded under the ARRA between projects approved by the Council as necessary based any discrepancies that arise between cost estimates, actual bids, and project expenses.