

MEMORANDUM



TO: PETE AUGER, CITY MANAGER
FROM: JEFFREY HERCZEG, DIRECTOR OF PUBLIC WORKS
SUBJECT: 2020 ROAD PROJECTS UPDATE
DATE: MAY 15, 2020

The COVID-19 crisis has impacted city operations in various ways the last few months. Most of the current road construction projects have continued to progress with minimal disruption and the projects scheduled for 2020 are beginning to materialize despite restrictions. On April 29, 2020, the Department of Public Works (DPW) opened bids for the 2020-2021 Neighborhood Roads Program (NRP). This two-year program and the overall five-year Road Asset Management Plan (RAMP) were introduced and discussed with the newly formed Roads Committee in January and February of this year. DPW staff was anticipating another substantial NRP program and had positive input and interaction with the Roads Committee members. Unfortunately, COVID interrupted the meeting schedule and forthcoming recommendations. Furthermore, the economic instability accompanying the COVID-19 crisis has required DPW to adjust current and future projects to meet reduced revenue projections.

Neighborhood Roads Program

The 2020-2021 Neighborhood Roads Program (NRP) bids prices (eight bids) for concrete were close to the engineering estimates (1% increase on material costs), but the asphalt prices (5 bids) were (20%) higher than anticipated. Hot Mixed Asphalt (HMA) material costs for the 2018-2019 NRP were \$97/ton and the low bid unit cost for 2020-2021 is \$120/ton. The increase in asphalt materials costs means the funds budgeted for the 2020-2021 NRP ~\$6.2M (FY 20/21 \$2.8M, FY 21/22 \$2.6M and ~\$800K FY 19/20 rollover) falls significantly short of the program bid total of \$7.5M (2020 ~\$3.8M, 2021 ~\$3.7M). City Council has prioritized infrastructure projects during these uncertain times, in particular the NRP program. The asphalt roads scheduled for reconstruction in 2020 and 2021 are in poor condition and are in need of repair.

Therefore, in lieu of eliminating roads from the NRP program, DPW recommends reallocating Concrete Panel Repair (CPR) funds (~\$500K FY 19/20 rollover and \$500K FY 21/22) to the NRP. Additionally, the project to reconstruct Lee BeGole Drive (~\$1M) scheduled in the current fiscal year will be delayed and reprioritized during the next budget cycle. These budget amendments will provide enough funding to complete the entire 2020-2021 NRP program scope (see attached).

Concrete Panel Repair

The 2020 Concrete Panel Repair program was awarded via Change Order on the 2018-2019 contract at the April 20, 2020 City Council Meeting, and resulted in cost savings by maintaining 2018 unit prices. The CPR program will replace ~\$900K of deteriorating concrete panels this year. Since 2020 is the final year of significant funding for this program, DPW anticipates maintenance dollars can be earmarked during the next budget cycle to continue as-needed panel replacements. Folding the existing rollover and 2021/2022 funds into the NRP facilitates a more robust NRP reconstruction program now.

Lee BeGole Drive Reconstruction

As the headwall for the drain south of the DPW facility entrance is failing, staff had planned on reconstructing the road and fixing the drain simultaneously. The new road design is 90% complete with the road geometry assuming a potential future connection to Crescent Boulevard. DPW staff has been working with the property owner on right-of-way and prospective development of the western adjacent parcels; however, those discussions have been slowed due to COVID-19. DPW had planned on reconstructing the road to the existing dead end (Gun Range entrance) this year; but, given the current circumstances, the project can be delayed.

Since the headwall repair is funded by the Drain Fund, DPW plans on completing that portion of the project now to avoid a catastrophic failure. The road portion funding of ~\$1M can be reallocated to the 2020-21 NRP. While there is potential for cost savings in completing the entire Lee BeGole project at once, staff estimates the value those savings are not worth deferring NRP road reconstruction projects with more positive impact to residents. The Lee BeGole Drive fix is a reconstruction; thus, delaying the work would not change the scope of the project, but could increase future project costs. DPW would examine in the next budget cycle whether the project could be paired with other projects in the future to increase quantities and reduce costs.

Additional Factors

Also, there is ~\$800K in FY 2020/21 to begin an Asphalt Capital Preventative Maintenance (CPM) Program as part of the five-year Road Asset Management Program. This program includes various maintenance solutions to asphalt roads in good/fair condition in order to extend their service life. The Asphalt CPM addresses a larger volume of lanes miles and maximizes dollars spent. This program is currently in design with start anticipated later in 2020.

The reconstruction of Cranbrooke Drive from 10 Mile Road to Village Wood Drive is estimated at \$2.9M and is currently out to bid. Since this is a concrete project, staff is hopeful to see favorable unit prices. However, the final bid could have a positive or negative impact on the implementation of the Asphalt CPM. Cranbrooke construction will likely commence after July 1, 2020.

The forthcoming construction season will provide more information for staff to analyze the best options for facilitating road projects during these uncertain times. Staff will revise the five-year Road Asset Management Plan and the overall Capital Improvement Plan based on the above conditions and will continue to provide the necessary updates. Presently, DPW plans on bringing the 2020-2021 NRP program and the recommended funding reallocations to City Council for consideration at the May 18 City Council Meeting.

Let me know if you have any questions regarding this memo.

Cc: Victor Cardenas, Assistant City Manager
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Ben Croy, City Engineer
Carl Johnson, Finance Director/CFO