

Information Item

Date: November 13, 2017

To: The City Manager

From: Gregory M. Turner, Assistant City Manager

Subject:
Report on Additional Funding for the Old Salem Infrastructure Bond Project.

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Improve Character and Condition of Neighborhoods

Strategic Plan Action Item: No

Key Work Item: Yes



The Old Salem Infrastructure Bond Project scope was developed to address sidewalk safety, street tree health and longevity, and street lighting concerns. Two additional types of work were incorporated into the project through the design process based on the need for resurfacing. A condition assessment of water and sewer lines and stormwater was performed. The infrastructure was found to be in poor condition. Because funding for Stormwater and Utility Infrastructure will come from non-bond funds, the bidding of the project was split into three sections based on the type of work as follows: Section One being Sidewalk, Lighting and Street Tree infrastructure; Section Two being Stormwater infrastructure; and Section Three being Utility Infrastructure.

Although the bond funds for the Old Salem Project were only \$1,000,000, it became obvious early in the design phase that this funding level would only do a portion of the area of interest in the District. It was decided to move forward with a design for the most reasonable subset of the District (Main Streets) in order to have a comprehensive plan. This was necessary because of the interrelated and interdependent aspects of many of the design elements. For example, the tree replacements are dependent on a tree pit construction systems. These systems are dependent on new drainage systems. These drainage systems are reliant on a project to upgrade the stormwater system in the road. The stormwater system had to thread through the water/sewer system that needed to be rehabilitated. Similar issues impacted the sidewalk and lighting portions of the project. The engineer's estimate for the project was \$2,719,600 and therefore it was anticipated the project would have to be value engineered or reduced in scope unless City Council decided to add additional funding to the project.

Bids were scheduled to be received on October 12, 2017, but less than three bids were offered as required by North Carolina General Statute (N.C.G.S.) 143-132(a). Therefore, as authorized by N.C.G.S. 143-129, the project was re-advertised for bids. Bids were then received October 20, 2017 with the summary of bids as follows:

	<u>City/State</u>	<u>Total Bid</u>	<u>Section 1 only</u>
Ramey, Inc.	Bethania, NC	\$10,482,237.50	\$3,011,794.50
Sealand Construction Corp., Inc.	Charlotte, NC	10,722,207.93	3,027,613.93

All bids exceeded the funds available.

Staff will attempt negotiation with the low bidder, as authorized by N.C.G.S. 143-129(b), to value engineer the Stormwater and Utility sections within funds available. These sections will be presented to the Council and the Utilities Commission in December.

The prices for Section One were 11% higher than the engineer's estimate. This was not entirely unexpected due to the Old Salem Historic District requirements, the Historic Resource Commission Certificate of Appropriateness conditions, the construction environment and restrictions on work to accommodate the Old Salem visitor experience.

The consultant and city staff reviewed Section One scope and pricing with the current project balance in mind. However, due to the complexity of the project, there are elements that need to be completed now to avoid duplicating work in the future as other elements are constructed. An addition of \$1,000,000 to the project budget will allow that priority work to occur. If \$2,000,000 were added to the project budget, this would allow for adding the more difficult project elements, bringing Main Street to a significant level of completion and \$2,500,000 will allow all elements of Section One to be completed. The table below designates project elements that would be available in each of the funding options listed above. These options are subject to negotiation with the low bidder.

Old Salem Infrastructure

Funding	Project Elements Retained	Project Elements Cut
Current Level	<p>Installation of underground conduit for future street lighting upgrades.</p> <p>Note:Additional funds (\$135,000)would be required for asphalt backfill of street trench.</p>	<p>Archeological Services</p> <p>All street tree elements.</p> <p>All sidewalk elements.</p> <p>Removal and replacement of existing streetlights.</p> <p>Installation of additional streetlights.</p> <p>No contingency funds available.</p>
Additional \$1,000,000	<p>Removal of existing trees in poor condition and installation of tree pits with structural soil and drains tied to the Stormwater system.</p> <p>Installation of resin bonded stone (Klingstone) sidewalk to remove sidewalk trip hazards caused by tree roots.</p> <p>Some replacement of granite curb in damaged areas and at intersections.</p> <p>Brick ADA pavers.</p> <p>Repair of approximately 30% of the brick sidewalk with trip hazards (not being replaced with Klingstone).</p> <p>Installation of underground conduit for future street lighting upgrades.</p> <p>\$20,000 for Archeological Services.</p> <p>\$150,000 due to longer Construction Observation Period.</p> <p>\$40,000 Contingency.</p>	<p>Installation of replacement street trees.</p> <p>Repair of approximately 70% of the brick sidewalk with trip hazards.</p> <p>Bank Street sidewalk installation.</p> <p>Repair of 100% fieldstone sidewalks.</p> <p>Repair of 100% driveway aprons with granite setts, brick pavers or stone</p> <p>Removal and replacement of existing streetlights</p>

Old Salem Infrastructure

Funding	Project Elements Retained	Project Elements Cut
<p>Additional \$2,000,000</p>	<p>Removal of existing trees in poor condition and installation of tree pits with structural soil and drains tied to the Stormwater system.</p> <p>Installation of replacement street trees.</p> <p>Installation of resin bonded stone (Klingstone) sidewalk to remove sidewalk trip hazards caused by tree roots.</p> <p>Replacement of granite curb in damaged areas and at intersections.</p> <p>Bank Street sidewalk installation.</p> <p>Remove and reset all brick sidewalk trip hazards.</p> <p>Installation of underground conduit for future street lighting upgrades.</p> <p>\$20,000 for Archeological Services</p> <p>\$150,000 due to longer Construction Observation Period</p> <p>\$170,000 Contingency</p>	<p>Removal and replacement of existing streetlights.</p> <p>Installation of additional streetlights.</p>
<p>Additional \$2,500,000</p>	<p>All Elements Bid Complete</p> <p>\$20,000 for Archeological Services</p> <p>\$150,000 due to longer Construction Observation Period</p> <p>\$215,000 Contingency</p>	<p>None</p>