

## MEMORANDUM

**Date:** June 27, 2014

**To:** Mayor and City Council Members  
Doug Faseler, City Manager

**From:** Jose (Joe) R. Ramos, Jr., P.E.  
City Engineer

**Re:** TxDOT Hike & Bike Trail Project  
Acceptance of TxDOT Bid and Authorization to negotiate Change Order

In October 2011, the City was awarded by the Texas Department of Transportation (TxDOT), the Statewide Transportation Enhancement Program (STEP) grant for a hike and bike trail (project) along Walnut Branch. The project will consist of a shared use concrete path for pedestrian and bicycle traffic from FM 78 to Convent Street, approximately 18,400-feet in length. Along this route it will go through the new park to be located on the former Hoermann property and connect to the Walnut Springs Park at Court and Guadalupe Street. The project includes two substantial bridge structures, one over the creek immediately north of Court Street and a longer span bridge over the creek at the Convent Street right-of-way. As required by TxDOT, we issued a request for qualifications (RFQ) to procure professional engineering services for the design of the facility. The initial approach of using the environmental and historical clearance information from the USACE 206 project was not successful. The close proximity of the trail to the Hugmann walls required additional environmental and historical study's that was not initially budgeted (the City was responsible for 100% of the costs as well as all right-of-way costs). Unfortunately, additional costs of construction since 2009 has significantly outpaced the rate of inflation, much of which is attributable to the increased demands for materials, and skilled labor in oil and gas industry in our surrounding areas.

On June 13, 2014, TxDOT received eight (8) bids for the project ranging from a low bid of \$2,524,283.53, from CRG to a high bid of \$3,421.695.04, from Dean Word Company, Ltd. Please see the attached bid tabulation. In accordance with the Advanced Funding Agreement (AFA) with TxDOT, the total project cost was estimated at \$2,369,214.00, of this amount the City was responsible for \$473,843.00, and any overage above the AFA contract. The overage is \$1,037,790.00. Assuming, per the AFA, the City is reimbursed \$179,626.48, from TxDOT for 80% of engineering costs.

In an effort to reduce the costs associated with the project, Staff contacted AIA, our project engineering firm, to value engineer the project to bring the overall construction project costs down to a more manageable figure. The proposed changes with which we are in agreement and recommend are:

	<u>Proposed Deducts</u>
A. Change Retaining Wall Texture on Guadalupe Street	\$126,460.00
B. Modify Guadalupe Bridge Railing	\$ 61,779.92
C. Revised Dolle Avenue segment	\$ 17,088.89
D. Convert Creekside to sidewalk/bike route	\$ 20,627.56
E. Convert Taylor Street sidewalk/bike route	\$ 36,483.67
<b>Proposed Deduct Total</b>	<b>\$262,460.04</b>

Another option that has been proposed has been to TxDOT is the elimination of the trail section between Kingsbury Street and Hwy 78. Preliminary discussions of this possibility were not encouraging but staff felt it was warranted to investigate as a possibility.

Please understand that project will have to be awarded and the contractor will have to agree to the deductive change order for the overall construction costs to be reduced. If City Council and TxDOT approves staff's recommended changes, the additional funding needed for this project is \$775,330.00.

In addition, staff is recommending an additional \$120,000.00 be funded as contingencies to address unforeseen conditions in the field.

Therefore, Staff requests approval of the TxDOT bid from CRG in the amount of \$2,524,283.53, and authorization to negotiate a change order in the amount of \$262,460.04.

Please see the attached memo from the City Manager addressing the additional needed funding.

Cc: Rick Cortes  
Susan Caddell  
Jack Jones  
Nathan Garza  
File