

ITEM # 13
DATE: 08-26-08

COUNCIL ACTION FORM

**SUBJECT: 2006/2007 AND 2007/2008 ASPHALT RESURFACING PROGRAM
AND 2006/2007 AND 2007/2008 SEAL COAT REMOVAL/ASPHALT
RECONSTRUCTION PROGRAM**

BACKGROUND:

This project is a combination of two individual annual programs that appear in the 2006/07 and 2007/08 approved Capital Improvement Plans (CIP). The project has been let and awarded as one contract, but the construction administration was tracked with the two divisions, individually, according to the CIP programs and designated funding sources. These programs have been packaged together because of their similar nature and to take advantage of economies of scale.

Division 1 includes work as part of the 2006/2007 and 2007/2008 Asphalt Resurfacing Programs. Construction under this program restores surface texture, corrects structural deficiencies, and prevents deterioration of various streets. This process results in better riding surfaces, increased safety with improved surface texture, and increased life expectancy of streets. The locations included in this contract include: Arthur Circle, Arthur Drive, Buchanan Court, Chamberlain Street, Clinton Court, Coolidge Drive, Hayward Avenue, Hunt Street, Kellogg Avenue, Knapp Street, Madison Court, Stanton Avenue, Taft Avenue, and Taft Court.

Division 2 includes work as part of the 2006/2007 and 2007/2008 Seal Coat Removal/Asphalt Reconstruction Program. This program is for the removal of built-up seal coat from streets and replacement with asphalt surface. Built-up seal coat on streets causes excess crown, which results in vehicles dragging at driveway entrances. Complete removal of this built-up seal coat will allow repairs to curb and gutter, and placement of 3 inches of asphalt surface. The locations this year include: Arbor Street, Bel-Air Drive, Bel-Air Circle, Coolidge Drive, Ferndale Avenue, Hunt Street, Narland Drive, and Melrose Avenue.

In May of 2007, City Council awarded the construction services contract to Manatts, Inc. of Ames, Iowa, in an amount not to exceed \$1,160,881.17. In August 2008, the City Manager's office approved Change Order No. 1 in the amount of \$48,065.00. This change order covered items related to increased quantities from the original estimate due to unforeseen field circumstances. Change Order No. 2 involves increasing the estimated project quantities to reflect actual field quantities. During the milling operations of three streets, it was discovered that the underlying pavement was not structurally stable enough to be used as originally planned. As a result, the resurfacing of these three streets became a reconstruction. The pavement was removed and replaced with full depth asphalt, thus increasing the quantity of pavement removal and the tonnage of asphalt. The amount of Change Order No. 2 is \$142,617.17. Financing for Asphalt Resurfacing was programmed in the amount of \$800,000 from Road Use Tax and \$200,000 from Local Option Sales Tax. Financing for Seal Coat Reconstruction was programmed in the amount of \$400,000 from Road Use Tax.

To date, the costs associated with this project include:

<u>Project</u>	<u>Contract Amount</u>
Asphalt Resurfacing Division I (this contract)	\$ 721,772.05
Change Order No. 2	<u>\$ 129,524.24</u>
Actual Division I Costs	\$ 851,296.28
Seal Coat Reconstruction Division II (this contract)	\$ 439,109.12
Change Order No. 1	\$ 48,065.00
Change Order No. 2	<u>\$ 13,092.93</u>
Actual Division II Costs	\$ 500,267.05
Engineering & Construction Administration (Estimated)	<u>\$ 45,000.00</u>
Total Costs (Division I & II, Inc. Eng/Con Admin)	\$1,396,563.33

Reallocation of the Road Use Tax from Division I will offset the costs for Division II and the cost for Engineering and Construction Administration. The breakdown is:

<u>Division Funding</u>	
Division I (Road Use Tax)	\$ 800,000.00
Division I (Local Option Sales Tax)	\$ 200,000.00
Division II (Road Use Tax)	<u>\$ 400,000.00</u>
Total	\$1,400,000.00

ALTERNATIVES:

1. Approve Change Order No. 1 and Change Order 2 for the 2006/2007 and 2007/2008 Asphalt Resurfacing Program and 2006/2007 and 2007/2008 Seal Coat Removal/Asphalt Reconstruction Program in the amount not to exceed \$190,682.17.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

By approving Change Orders No. 1 and 2 for the 2006/2007 and 2007/2008 Asphalt Resurfacing Program and 2006/2007 and 2007/2008 Seal Coat Removal/Asphalt Reconstruction Program, work will be able to proceed following the original construction schedule.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Orders No. 1 and 2 for the 2006/2007 and 2007/2008 Asphalt Resurfacing Program and 2006/2007 and 2007/2008 Seal Coat Removal/Asphalt Reconstruction Program in the amount not to exceed \$190,682.17.