



# City of Grand Island

Tuesday, July 28, 2009

Council Session

## Item G11

**#2009-180 - Approving Supplemental Agreement No. 1 with NDOR  
for South Locust Street Phase 2 (Northbound) Roadway  
Construction**

Staff Contact: Steven P. Riehle, Public Works Director

# Council Agenda Memo

**From:** Steven P. Riehle, Public Works Director

**Meeting:** July 28, 2009

**Subject:** Approving Supplemental Agreement No. 1 with NDOR for South Locust Street Phase 2 (Northbound) Roadway Construction

**Item #'s:** G-11

**Presenter(s):** Steven P. Riehle, Public Works Director

## Background

All agreements must be approved by the City Council.

The Nebraska Department of Roads and the City of Grand Island entered into a program agreement for the above project. The agreement was executed by the City on June 14, 2007 and by the State on June 19, 2007 and provided for the paving of the northbound lanes on South Locust Street with concrete.

The completion of the concrete paving for the northbound lanes is one of the last remaining phases of the Locust Street Interchange project that was started over 10 years ago. The only remaining phases are the completion of the 2 trail bridges over the Platte River channels north of Interstate 80 and the paving of the trail from the Wood River Floodway to just north of Interstate 80. A future trail is planned between the Locust Street trail and Mormon Island State Park.

## Discussion

It is now necessary to amend the original agreement to allow Federal Stimulus Funds to be used toward the construction phase of the project, to modify the estimated project cost and to update the bid letting responsibilities. The estimated construction cost of \$4,012,600.00 will be covered by American Recovery and Reinvestment Act (ARRA) Funds. The ARRA funds are capped at this dollar amount with any design changes or overruns coming from Grand Island's regular federal fund balance.

The City's share of the project is to be 100% of the design and preliminary engineering costs. The Engineering Division of the Public Works Department is preparing plans for the widening of South Locust Street saving the city an estimated \$237,400.00.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

Public Works Administration recommends that the Council approve a resolution authorizing the Mayor to sign the agreement.

### **Sample Motion**

Motion to approve authorization for the Mayor to sign the agreement.

SUPPLEMENTAL AGREEMENT NO. 1

CITY OF GRAND ISLAND  
STATE OF NEBRASKA, DEPARTMENT OF ROADS  
PROJECT NO. URB-2235(5), STATE CONTROL NO. 42519  
SOUTH LOCUST STREET PHASE 2 (NORTHBOUND)  
ROADWAY CONSTRUCTION

THIS SUPPLEMENTAL AGREEMENT, made and entered into by and between the City of Grand Island, hereinafter referred to as the "City", and the State of Nebraska, Department of Roads, hereinafter referred to as the "State",

WITNESSETH:

WHEREAS, the State and City entered into an agreement executed by the City on June 14, 2007, and by the State on June 19, 2007, and

WHEREAS, it now becomes necessary that the original agreement and Supplement No. 1 be amended to allow Federal Stimulus Funds to be used toward the construction phase of the project, modify the estimated project cost and update the bid letting responsibilities, and

WHEREAS, certain streets in the City have been designated as being eligible for American Recovery and Reinvestment Act (ARRA) Funds by the Department of Transportation, Federal Highway Administration, in compliance with Federal laws pertaining thereto, and

WHEREAS, the City certifies that it will request and use funds provided by ARRA and that the funds will be used to create jobs, promote economic growth and certifies that this project meets the requirement of ARRA, and

WHEREAS, the City is to provide a full-time public employee to be in Responsible Charge (RC) of the project at all times, and

WHEREAS, this project has been designated as a full Federal oversight project.

NOW THEREFORE, in consideration of these facts, the State and City agree as follows:

SECTION 1. This project has been designated as a full Federal oversight project and the State shall present this project to the FHWA for its approval.

SECTION 2. The City further certifies that this project meets the requirements of ARRA as follows:

1. The City is to provide a qualified, full-time public employee to be in RC of the project at all times.
2. The investment has received the full review and vetting required by law.
3. The City accepts responsibility that this infrastructure investment is an appropriate use of taxpayer dollars.

4. This investment will be used for URB-2235(5), is included in the Statewide Transportation Plan, and has an overall construction cost estimate of \$4,012,600, of which \$4,012,600 are estimated to be ARRA funds.

5. The City agrees to ARRA reporting requirements and agrees that the State will not reimburse the City with Federal or State funds unless all ARRA reporting requirements are met. SECTION 3. The total cost of the project which includes: preliminary engineering, final design, Right-of-Way, nonbetterment utility rehabilitation, construction and construction engineering is currently estimated to be \$4,250,000. The Federal ARRA Share of the project is to be 100 percent of the awarded construction amount, construction engineering costs (capped at 13 percent of the awarded amount) and flat fee of \$2,500 for ARRA audits which is currently estimated to be \$4,012,600. When the contract award amount is known, a supplemental agreement with the actual capped amount of ARRA funds will be executed between the City and State. The City's share of the project is to be 100 percent of preliminary engineering, Right-of-Way, and all costs over the capped construction and construction engineering amounts which is currently estimated to be \$237,400. Progress billings to reimburse the City may be submitted no more often than monthly. The State will reimburse 95 percent of the eligible 100 percent Federally Funded expenditures until the 5 percent retention reaches a maximum amount of \$25,000. Once the maximum retention is obtained, the State will reimburse 100 percent of the eligible 100 percent Federally Funded expenditures.

The final settlement between the State and the City will be made after the State accepts the project and the final costs have been determined by the State. The amount of the final settlement between the State and the City will be the difference between:

1. (a) the net expenditure by the City for actual cost items
- (b) plus the value of work performed by the City based on agreed prices
- (c) plus cash advances by the City to the State
- (d) less previous payments by the State to the City, and
2. The City share of the project costs.

If (1) is greater than (2), the State will pay to the City the difference within thirty days after that determination has been made. If (2) is greater than (1), the State will bill the City for the difference. The City agrees to pay the State the amount of such bill within thirty days of its receipt.

Costs incurred by the State with respect to the entire project must be considered as a part of the cost of the project to be paid out of City and Federal funds. The State may, at its

discretion, initiate progress invoices for costs incurred by the State during the progression of the project and the City agrees to pay such invoices within thirty days of their receipt. The City's share of the total project cost will be all costs not paid for by Federal funds.

The criteria contained in Part 31 of the Federal Acquisition Regulation System (48 CFR 31) will be applied to determine the allowability of costs incurred by the City under this agreement.

Final payment consisting of the retention withheld minus the State incurred expenses will not be reimbursed to the City until the City has filed a completed State DR Form 299 with the State, and both the City and the State have signed it. Once the DR Form 299 is signed by the City, no reimbursement requests will be accepted by the State and the FHWA.

SECTION 4. Prior to advertising the project for bids, the City shall submit a Right-of-Way Certificate and the final plans package (100 percent full-size plans, specifications, summary of quantity sheets, status of utilities, environmental permits, and other PS&E required documents) to the State's Local Projects Division Urban Engineer for review. The State and City agree the State is to advertise and conduct a letting and receive bids for the City on the contemplated improvement. The selection of the lowest responsible bidder and the awarding of a contract or contracts must be concurred in by the City prior to State award. The City shall sign the contract or contracts.

SECTION 5. Except as specifically amended by this Supplemental Agreement, all terms and conditions of the original agreement executed by the City on June 14, 2007 and by the State on June 19, 2007 shall remain in full force and effect.



RESOLUTION 2009-180

WHEREAS, the City of Grand Island is widening South Locust Street using American Recovery and Reinvestment Act (ARRA) Funds; and

WHEREAS, for such work the State and City entered into an agreement; and

WHEREAS, it is now necessary to amend the original agreement to allow Federal Stimulus Funds to be used toward the construction phase of the project, modify the estimated project cost and update the bid letting responsibilities; and

WHEREAS, the construction cost is estimated to be \$4,012,600.00, all of which is proposed to be ARRA Funds; and

WHEREAS, the City's share of the project is to be 100% of the design and preliminary engineering, and all other costs over the capped construction and construction engineering amounts, and

WHEREAS, Supplemental Agreement No. 1 with the Nebraska Department of Roads is required to proceed with this project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the supplemental agreement number 1 with the Nebraska Department of Roads to amend the original agreement for the widening of South Locust Street is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 28, 2009.

\_\_\_\_\_  
Margaret Hornady, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form    ☐ \_\_\_\_\_  
July 24, 2009            ☐ City Attorney