



CITY COUNCIL ACTION REPORT

March 3, 2009

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Asst. City Manager/Finance & Administration
 Brian P. Murphy, Asst. City Manager/Economic Development Services
 Steven J. Vandette, City Engineer

SUBJECT: Agenda Item – Additional Costs for I-75 Bridge Work
 Project No. 08.102.6

Background:

- By Resolution #2008-06-206, City Council approved MDOT Contract No. 07-5754 for bridge work on I-75 with Troy's share of the project based on a not to exceed amount of \$56,715.00.
- This not to exceed amount was based on the project costs as detailed in the contract and was based on MDOT's estimated costs at the time the contract was prepared.
- The bridge work is now substantially complete, but contractor payments are still being paid.
- The city's share of the project is 12.5% of the non-federally funded portion of the project cost based on our Act 51 participation.
- Current invoices from MDOT for Troy's share of the work will cause us to exceed the not-to-exceed fee as approved by City Council.

Financial Considerations:

- Funds in the amount of \$75,000 were budgeted for the 2008-09 budget year in the Major Road Fund, account # 401.447.479.7989.081026.
- We have not exceeded the budget amount, but we expect to exceed the not-to-exceed amount by paying future invoices.
- It is estimated that the City's share of the project, based on current construction costs, will be approximately \$80,000.

Legal Considerations:

- Contract No. 07-5754, as approved, was based on MDOT's estimated costs, as is standard with all MDOT agreements, since these agreements are prepared when funding for the project is obligated and before actual costs are known. The city's actual cost is based on the actual MDOT cost within the parameters of the agreement.

Policy Considerations:

- Troy adds value to properties through maintenance or upgrades of infrastructure and quality of life venues (Goal II)

Options:

- Staff recommends that City Council increase the not-to-exceed fee to an estimated amount of \$80,000.