



Legislation Text

File #: 16-0895, **Version:** 1

Resolution to Approve a Cost-sharing Agreement with the Michigan Department of Transportation for the Stadium Boulevard Reconstruction Project - South Main Street to Kipke Drive (\$7,738,700.00) Attached for your review and approval, please find a resolution that will approve an agreement between the Michigan Department of Transportation (MDOT) and the City of Ann Arbor for the reconstruction of Stadium Boulevard from S. Main Street to Kipke Drive. The agreement defines the cost sharing of the construction, as well as each party's rights and responsibilities. The City's estimated share of the project's construction cost is \$5,110,091.00. The City's overall share of the project cost is approximately \$8,087,390.00.

Project History and Background Information

As you are aware, this project was originally bid through the Michigan Department of Transportation (MDOT) on February 5, 2016. Unfortunately, the bids that were received at that time were approximately 49% above the Engineer's Estimate. Staff reviewed the available options and decided to re-bid the project with revised project limits. On February 26, 2016 Project Management Services Unit (PMSU) staff shared a memorandum with Council that outlined the modified approach to the project (copy attached.) The project has proceeded based on the methodology outlined in that memorandum. MDOT will receive bids for the revised project on August 5, 2016.

Budget/Fiscal Impact

The estimated total cost of the project is \$10,716,000. The City expects to receive \$2,628,610.00 in federal funds for this project. The federal funding will be used to fund participating roadway construction expenses such as curb and gutter construction, sidewalk, asphalt and concrete pavement, and other similar work items. The City will be funding portions of the roadway construction and related appurtenances, the water main, storm water, and sanitary sewer portions of the project, as well as the necessary design, construction engineering, and material testing costs. Funding for this project is available in the appropriate approved capital budgets. The project is being performed as an Advance Construct project through MDOT. The Advance Construct funding mechanism requires the city to interim finance the federal share of the project's participating construction costs and be reimbursed by MDOT at a later date. For this project, the federal funds will be reimbursed in the State's FY17. This form of project financing has been used successfully on many projects in the past.

The storm water quality management portion of this project will be financed with State Revolving Funds (SRF). Staff is currently working through the loan approval process with the Washtenaw County Water Resources Commissioner's office. The reason for financing a portion of the storm water improvements with SRF is the potential eligibility for up to 50% loan forgiveness. This loan will reimburse a portion of the storm water system funds being allocated to the project. The Water Resources Commissioner will be assessing the City over a maximum of 20 years for this project for repayment of the loan. The first payment is included in the FY 17 approved Storm Water Fund

Operations and Maintenance and subsequent payments will be included in the annual storm water budget submittals.

A breakdown of the project revenues are shown below:

Federal STPU & NHPP Funds (FY16)	\$1,768,609.74
Federal STPU & NHPP Funds (FY17)	\$ 860,000.00 (reimbursed by MDOT in FY17)
Street Resurfacing Millage - Fund 006	\$5,592,800.00
Storm Water Fund - Fund 0069 -	\$1,379,800.00
Water System Fund - Fund 0042 -	\$1,095,088.17
Special Assessment (Sidewalks) -	\$ 19,702.09
Total	\$10,716,000.00

Project Overview

The contractor is expected to begin mobilizing manpower, materials, and equipment in mid-November after the last University of Michigan Home Football game. It is anticipated to begin implementing the traffic control and the planned detour route on, or about, November 21, 2016. Once the traffic control is installed, the work will commence.

Attached, please find a drawing that depicts the overall project limits and the intended work areas. The work will be completed on the project as generally described below.

The project is intended to be performed from mid-November 2016 to late-August 2017. The construction planned to be completed prior to the beginning of the University of Michigan Home Football season. The work to be performed will consist of reconstructing E. Stadium Boulevard from just west of the S. Main Street intersection to the existing concrete pavement on E. Stadium Boulevard just east of Kipke Drive. As part of the work, a section of the City's 20" raw water transmission main will be replaced with a 30" diameter pipe as part of the phased upgrade of this water main. The Stadium Boulevard/Main Street intersection will be reconstructed with concrete pavement as part of the work in 2017. Two permanent retaining walls will also be constructed along the south side of E. Stadium Boulevard adjacent to the Ann Arbor Golf and Outing property and completing the sidewalk gap along the south side of E. Stadium Boulevard between the U of M Golf Course and S. Main Street.

The project includes a significant amount of underground utility construction that includes storm water quality and quantity improvements. Street lighting will be installed that is consistent with previously installed lighting during the earlier phases of the Stadium Boulevard Reconstruction suite of projects. Final restoration, completion of permanent pavement markings, and other related tasks is expected to be completed by September 1, 2017.

A project of this nature is challenging and requires coordination with several agencies. Also, given the project's location, the work involved, travelling in and around the project area is anticipated to be difficult. Long delays are to be expected due to the reduction of travel lanes that are necessary in order to complete the work. Consequently, one of the primary maintenance of traffic strategies in will be to detour eastbound traffic around the project area in order to help minimize disruption and expedite the construction activities. Other detour routes will also be used at various times during the

work. Detailed information regarding the maintenance of traffic strategies will be made available to the public on the project website, at public meetings, and through other methods. The construction has been staged and scheduled such that all lanes of traffic along S. Main Street will be open during the Ann Arbor Street Art Fairs in 2017. All needed planning and coordination has occurred with AAATA, the Ann Arbor Public Schools, the University of Michigan, and other agencies.

In order to help ensure timely completion of this project, an incentive clause has been included in the construction contract. The incentive clause contains two milestone dates. The first is associated with the 2017 Ann Arbor Street Art Fairs. If the contractor completes the necessary work to have all lanes of S. Main Street open by July 17, 2017, the Contractor will receive a maximum payment of up to \$35,000.00 (five-thousand dollars per calendar day, seven calendar days maximum.) The second milestone date is associated with final project completion. If the contractor completes the construction such that the roadway can be fully re-opened to vehicular and pedestrian traffic by August 21, 2017, they can receive a maximum payment of up to \$70,000.00 (ten-thousand dollars per calendar day, seven calendar days maximum.) If the contractor fails to meet these milestone dates they can be penalized the same amounts with no maximum penalty amount. These incentives will encourage the contractor to work diligently in their completion of the project's work and to overcome "ordinary obstacles" that could otherwise slow the project's progress. While the incentive clause does not ensure timely performance, it is one of the best tools available for this purpose.

Prepared by: Michael G. Nearing, P.E., Senior Project Manager

Reviewed by: Craig Hupy, Public Services Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, The Capital Improvements Plan contains projects TR-SC-09-03, UT-WS-13-2, and UT-ST-09-4, the Stadium Boulevard Reconstruction Project from S. Main Street to Kipke Drive and its related utility projects;

Whereas, The project will reconstruct the existing roadway, perform storm water improvements, replace/upsizes the existing water mains, construct permanent retaining walls and concrete sidewalks, install street lights, and perform other related improvements to the project area;

Whereas, The storm water quality management portion of this project is expected to be financed with State Revolving Funds (SRF). Staff is working through the application process for a low interest loan (2.5%) which will be secured by the Washtenaw Water Resources Commissioner;

Whereas, The SRF loan will reimburse a portion of the expenditures from the Storm Water System Fund being allocated to the project. The Washtenaw County Water Resources Commission will be assessing the City over a maximum of 20 years for this project for repayment of the loan;

Whereas, The first loan payment is included in the FY 17 approved Storm Water Fund Operations and Maintenance Budget for FY 17 and subsequent payments will be included in the annual storm water budget submittals pursuant to R-15-403 which authorized the annual payment to the County for this project from the Storm Water System Funding pending annual budget approvals by City Council;

Whereas, The City of Ann Arbor will receive federal funding to defray certain roadway construction costs; and

Whereas, It is necessary to approve the cost sharing agreement with the Michigan Department of Transportation so that the project can proceed.

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute contract 16-5615 with the Michigan Department of Transportation for the Stadium Boulevard Reconstruction Project following approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City Administrator be authorized to approve the needed Traffic Control Orders, Night Work Authorizations, and other similar administrative approvals to allow the work of the project to proceed without delay; and

RESOLVED, That Council authorizes the City Administrator to take the necessary administrative actions to implement this resolution.