

BOARD OF ALDERMEN

ITEM NO. A(2)

AGENDA ITEM ABSTRACT

MEETING DATE: January 12, 2010

TITLE: Request to Approve a Supplemental Agreement with NCDOT for the Transfer of Funds between Transportation Projects Supported by the American Recovery and Reinvestment Act

DEPARTMENT: PLANNING	PUBLIC HEARING: YES ___ NO <u>X</u>__
ATTACHMENTS: A. Resolution	FOR INFORMATION CONTACT: Patricia McGuire – 918-7327 Bing Roenigk – 918-7439 George Seiz – 918-7427 Jeff Brubaker – 918-7329

PURPOSE

The Board is requested to approve a Supplemental Agreement with NCDOT allowing the transfer of funding obligations between two local transportation projects supported by the American Recovery and Reinvestment Act (ARRA). The Supplemental Agreement allows the transfer of \$28,000 from the Bim St. sidewalk project (TIP# U-4726-DB) to the bus shelter installation project (TIP# EL-5103).

INFORMATION

The Town has received ARRA funds for several transportation projects. These include the construction of sidewalks on Bim and Ashe Streets and the installation of three bus shelters. Additionally, NCDOT is using ARRA funds to make bicycle, pedestrian, and transit improvements on Old Fayetteville Rd. between NC-54 and McDougle School.

In response to inquiries from MPOs and local jurisdictions, NCDOT recently announced that it was acceptable to transfer funding obligations between ARRA projects in the same municipality. This is due to some projects bringing in low bids and others bringing in high bids. Excess grant amounts can be transferred from low-bid projects to high-bid ones so long as 15 percent of the project cost is reserved as a contingency.

After opening the first bidding period for the bus shelter installation project, the Town received only one bid (\$63,057), significantly above the original construction and preliminary engineering estimate of \$48,296. On November 10, 2009, the Board of Aldermen rejected the bid and authorized staff to re-bid the project. Rebidding the project in December 2009 yielded bids that were either substantially in excess of the cost estimate or from bidders that were not prequalified to work on NCDOT contracts. At the same time, the low bid for the Bim St. sidewalk project (\$125,424.21) came in significantly below the construction estimate of \$200,100, leaving excess funds available for transfer to other projects. Town staff requested the transfer of a portion of these funds to the bus shelter project. The request totals \$28,000; the remainder provides

sufficient funding to cover the Bim Street sidewalk project, 15 percent for contingency and 15 percent for contract administration.

NCDOT staff have drafted a Supplemental Agreement in order to execute the transfer. The Agreement must be executed by January 31, 2009.

FISCAL IMPACT

The Supplemental Agreement deals with a transfer of funding participation by NCDOT from one transportation project to another. Overall, no funding is gained or lost. However, the transfer increases the Town's capacity to fund the bus shelter installation project.

After the Agreement is executed, the maximum amount of funds available for the Bim St. sidewalk will be \$172,100. The maximum amount of funds available for the bus shelter installation project will be \$76,296.

RECOMMENDATION

Staff recommend that the Board adopt the attached resolution.