

MEMORANDUM

TO: Board of Trustees

THROUGH: Kate Nelson, Interim Public Works Director

FROM: Hudson Klein, Principal Engineer

SUBJECT: Review, discuss and possibly approve an increase to the estimated project cost to support additional scope and project quantities for Mt. Golf Cart Path Restoration Phase II - 2023/2024 Capital Improvement Project; Fund: Community Services; Division: Golf; Project #3241L1903; Vendor: SNC Construction in the amount of \$160,000. (Requesting Staff Member: Interim Public Works Director Kate Nelson).

RELATED STRATEGIC PLAN BUDGET INITIATIVE(S):

LONG RANGE PRINCIPLE #5 – ASSETS AND INFRASTRUCTURE

The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation venues, facilities, and services.

RELATED DISTRICT POLICIES, PRACTICES, RESOLUTIONS OR ORDINANCES

Capital Planning Multi-Year Capital Planning Policy 12.1.0; Capital Planing Capital Project Budgeting Policy 13.1.0; Capital Planning Capital Expenditures Practice 13.2.0; Purchasing Policy for Public Works Contracts Policy 21.1.0.

DATE: November 8, 2023

I. RECOMMENDATION

The Board of Trustees make a motion to:

1. Approve an increase to the estimated project costs to support additional scope and increase quantities in the amount of \$160,000.

II. BACKGROUND

The original project approach for Phase II of the Mountain Course Cart Path Restoration Project (Project) proposed a continuation of the Phase I methodology to remove and replace all remaining cart path not re-constructed in Phase I (construction completed 2021); this was to include approximately 82,000 square feet (SF) of cart path replacement with an estimated construction cost of \$1,800,000 (total Project budget of approximately \$2.25M). At the August 31, 2022 Board meeting, staff recommended that Phase II of the Project scope be reduced to include removal and replacement of failing sections of cart path only and to crack fill and slurry seal the entire length of the path with an estimated construction cost of \$293,300. The Board authorized this modification to the scope of the Project. The Phase II budget estimates - total remove/replacement and targeted replacement area alternatives - each proposed additional administrative, inspection, and contingency costs added to direct construction costs.

The Phase II bid documents were based on existing conditions and site measurements completed in September 2022 to support a March 2023 public bid. Sierra Nevada Construction (SNC) was the successful bidder and the project was awarded at the May 10, 2023 Board meeting for a value of \$187,000. This contract included removal/replacement of 4,705 SF of cart path with the start of construction planned for September 2023.

Inspection of existing conditions shortly before start of construction revealed a substantial increase in observed failed pavement areas. Further, many sections of cart path failed during construction as a result of construction activities and also required replacement. Therefore, Staff marked additional pavement areas to be replaced and approximately 15,100 SF of additional pavement were nominated for replacement. This has increased forecast construction costs by approximately \$252,000. The Project budget includes an \$18,700 contingency for Phase II and a \$60,000 'Owners Allowance' specifically intended to cover scope increases due to unknown/changed conditions from September 2022 project scoping to September 2023 construction.

As a result of the increased path replacement scope with the golf course staying open during construction, the Phase II scope was unable to be completed in the 2023 construction season and SNC is slated to return in spring 2024.

The total Phase II funding readily available is \$265,000, inclusive of the Phase II construction contingency (\$18.7k) and Owner allowance (\$60k). The current billing for Phase II construction is approximately \$213,000 for work completed to date; however, there is an estimated \$268,000 required to complete the work scope currently identified for the 2024 construction season inclusive of additional owners allowance and inspection/management costs (\$237k construction, \$23k Owner allowance, \$8k inspection).

Within the CIP Project Budget, Phase III Recirculation Improvements design amendment field orders reduced earthwork quantities and approximately \$18,000 in savings was realized in addition to \$21,600 of construction contingency that

was unused; if allocated to the remaining Phase II budget, this totals approximately \$305,000 in project funds currently available for Phase II.

Therefore, Staff are requesting an increase of \$160,000 to finish the Phase II path replacements.

III. BID RESULTS

There has been no additional bidding for the proposed scope addition; the awarded contract rates have been used to prepare the cost estimate for the remaining scope items.

IV. FINANCIAL IMPACT AND BUDGET

The Mt. Golf Cart Path Restoration - Phase II (CIP #3241LI2001) is included in the FY 23 CIP Budget in the amount of \$1,100,000 following approval of the carry-forward budget at the October 25, 2023 Board meeting.

The Board approved a total project cost of \$629,382 which included Phase II replacements and the Phase III Circulation Improvements as shown in the following table:

Task	Cost
Phase II - Removal Replacement, Surface sealing	\$187,007
Phase II Contingency	\$18,700
Materials Testing Phase II	\$5,500
Phase III Circulation Improvements	\$216,000
Phase II Contingency	\$21,600
Materials Testing Phase III	\$3,900
Materials Testing Contingency	\$1,000
Construction Management and Inspection	\$60,705
Tree Removal	\$55,000
Owners Allowance	\$60,000
Total	\$629,382

The revised forecast Project cost is approximately \$789,000 as summarized below. This amount is available the current CIP budget of \$1.1M.

Task	Cost
Phase II Original Contract Cost	187,007

Phase II Change Orders	\$252,000 (incl 2024 season)
Material Testing Phase II	\$3,500 (incl 2024 season)
Phase III Construction Cost	\$197,744 (final cost)
Materials Testing Phase III	\$1,578 (final cost)
Construction Management and Inspection	\$68,311 (incl. 2024 season)
Tree Removal	\$55,000 (final cost)
Owners Allowance	\$23,000 (incl. 2024 season)
TOTAL FORECAST COST	\$789,140

Staff is requesting an increase to the estimated Project total cost in the amount of \$160,000.

V. ALTERNATIVES

The Board does not approve an increase to the estimated Project costs to support additional scope and increase quantities in the amount of \$160,000. The failed pavement sections will remain and Staff request a smaller increase sufficient to cover the crack filling and slurry seal of the entire Phase II length as per the original scope. This request will be for a \$35,000 increase.

VI. COMMENTS

Staff openly acknowledge quantity measurement errors in the project development. The lessons learned include a failure of leadership and project management exhibited by the lack of project quantity verification by senior engineering Staff relative to the existing conditions observed following the large winter season. This should have been completed prior start of construction with sufficient time to confirm the issue and to address the Board before contractor mobilization.

Staff maintain that the revised Project approach was the best option and value for the District with regard to the alternative of full removal and replacement. The proposed scope replaces the failed sections, representing approximately 25% of the total Phase II cart path length; the cost is forecast at \$789,000 and represents 35% of the total removal/replacement project cost estimate of \$2.25M. All asphalt roads/paths require ongoing maintenance and the current approach and increased cost proposal provides more than \$1.4M in cost reduction relative to the original total remove/replace proposal; these funds could be allocated for future/ongoing cart path maintenance.

VII. BUSINESS IMPACT/BENEFIT

This item is not a “rule” within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

VIII. ATTACHMENTS

None

IX. DECISION POINTS NEEDED FROM THE BOARD OF TRUSTEES

The decision needed from the Board of Trustee's shall be that of approving the staff recommendation as presented.