

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

SUBJECT: Budget Transfer from Capital Projects Contingency for CIP Cost Estimator	STAFF PRESENTER: Rebecca Zook, P.E. Director of Engineering
	CASE NUMBER: None
	OTHER PRESENTER: None

PROPOSED ACTION:

Approve a budget transfer in the amount of \$75,000 from the Capital Projects Contingency Reserve for CIP project cost estimating services.

BACKGROUND AND PREVIOUS ACTIONS:

The FY2019-23 CIP was adopted as presented to Council as a modified CIP including only projects that were adequately scoped and costed as of the presentation of the CIP. Due to the rapidly changing construction market several planned projects could not be adequately scoped and costed by staff in time to be included in the adopted CIP. These projects were excluded from the plan with the intent to finalize the cost and scope of these projects for inclusion in the FY2020-24 CIP, or in some circumstances, as a mid-year addition in FY2019. With the adoption of the FY2019-23 CIP the council reserved funds specifically to be redistributed to capital projects once accurate and realistic costs were available.

STAFF ANALYSIS:

Since the adoption of the FY2019-23 CIP the City's CIP team has been reviewing project scopes and cost estimates with departments, engineers and contractors, as well as conducting research on construction market trends. It has become readily apparent that in order to develop attainable budgets, based upon clear and realistic cost estimates, the assistance of professional cost estimators is required.

Engineering staff has identified Mortenson Construction to assist with this process. Mortenson generates a Construction Cost Index that is widely used by the development and construction industry. They develop representative quarterly costs per geographic region that is derived from construction cost of several non-residential construction sectors. Mortenson uses cost data from their offices around the nation to develop a robust data base of construction cost estimating information that helps them track construction market trends, construction costs, and quarterly escalation values for specific geographic locations.

Mortenson will assist the city in developing accurate and realistic costs estimates for several potential mid-year additions to the FY2019 CIP projects identified by council for the distribution of reserved funds as well as for future FY2020-24 CIP projects that currently do not have a fully

developed scope and/or budget. Mortenson will also help the city develop a process to enable the team to be able to more accurately scope and cost future CIP projects.

FISCAL ANALYSIS:

This item was not included in the FY2019 adopted budget and a budget transfer in the amount of \$75,000 is required. As this is an unanticipated, unbudgeted cost directly tied to the delivery of the CIP, it is recommended that funding from the general fund portion of the capital project reserve contingency be utilized. Upon approval of this item there will be a remaining general fund capital project reserve contingency balance of \$9,050,500.

RECOMMENDATION:

Approve the transfer of \$75,000 from the Capital Project Reserve Contingency to be used for the acquisition of Cost Estimating Services associated with the city's CIP.

ATTACHMENTS:

None