



THE CITY OF KEY WEST

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MEMORANDUM

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
E. David Fernandez, Asst. City Manager - Operations

FROM: Carolyn Sheldon, Grants Administrator
Doug Bradshaw, Senior Project Manager

DATE: April 11, 2012

SUBJECT: **Approving and authorizing the City Manager to execute a Supplemental Local Agency Program (LAP) Agreement for the transfer of \$40,000.00 from construction, engineering & inspection funds (Phase 68) to construction funds (Phase 58) for construction of the Poinciana Elementary School Safe Routes to School (SRTS) Sidewalk Improvement Project; approving any budget amendments necessary for the transfer of funds**

ACTION STATEMENT:

This resolution will approve and authorize the City Manager to execute a Supplemental Local Agency Program (LAP) agreement for the transfer of \$40,000.00 from construction, engineering & inspection, or CEI, funds (Phase 68) to construction funds (Phase 58) for construction of the Poinciana Elementary School Safe Routes to School (SRTS) Sidewalk Improvement Project (EN1101) and approve any budget amendments necessary for the transfer of funds. The \$40,000.00 will be added to the \$306,408.00 current Phase 58 funds for a total of \$346,408.00 in construction funding.

BACKGROUND:

The LAP Agreement for Poinciana Elementary School Safe Routes to School (FM 425854-1) was approved with Resolution 10-218 on July 20, 2010. Funding for design, construction and construction, engineering and inspection (CEI) was included in the LAP Agreement. This project proposes the construction of sidewalks, curbs, curb ramps, residential and commercial property driveway aprons and property entrances, bicycle and pedestrian crosswalks, paving, stormwater improvements, signage and pavement

Key to the Caribbean – Average yearly temperature 77° F.

markings, and traffic calming devices on Duck Avenue, from Glynn Archer Drive (14th Street) to 17th Street, and 12th Street, from Staples Avenue to Seidenberg Avenue, to provide safe bicycle and pedestrian access routes to Poinciana Elementary School.

City Staff requested the transfer of CEI funds to construction funds from FDOT after the preliminary engineer’s estimate showed an estimated cost of \$379,428.07 (which includes a 7% contingency) versus the \$306,408.00 currently funded by FDOT. City Staff recognizes that even with the \$40,000.00 transfer, a shortfall of \$33,020.07 exists based on the preliminary engineer’s estimate. However, FDOT has approved the request to transfer \$40,000.00 from CEI funds to construction funds using the preliminary engineer’s estimate as justification. Here is a breakdown of the grant funding:

Poinciana Elementary SRTS LAP Agreement (FM 425854-1)			
Project Phase	LAP Agreement	Supplemental LAP Agreement	Total Funding
Design	\$ 65,659.00	\$ 0.00	\$ 65,659.00
Construction	\$ 306,408.00	\$ 40,000.00	\$ 346,408.00
CEI	\$ 65,659.00	(\$ 40,000.00)	\$ 25,659.00
Total	\$ 437,726.00	\$ 0.00	\$ 437,726.00

Please note that the funding above is 100% FDOT. There is no local match required. FDOT will exhaust all of their funding before the Local Agency is required to incur costs. This means the Local Agency is responsible for any costs in excess of the funding above.

PURPOSE & JUSTIFICATION:

Although the City is asking for funds to be moved from CEI funding to construction funding, the transfer can only take place if FDOT has construction funding available to cover the amount of the transfer since money is not physically moved from CEI funding to construction funding. The two are separate sources of funding. The transfer is accomplished through the execution of a Supplemental LAP Agreement.

With a preliminary engineer’s estimate that exceeds the construction funding currently available for the Poinciana Elementary School SRTS project, FDOT is allowing the City to transfer \$40,000.00 from CEI funds to construction funds for this project. City Staff is confident adequate CEI can be provided for the remaining \$25,659.00 in CEI funds once the transfer is made.

City Staff has not received bids for this project as the bid documents are currently being prepared. Ideally, FDOT would like for bids to be in hand prior to approving the transfer of funds in the event that additional funding can be provided should the bids exceed the funding already in place. The FDOT LAP Coordinator assigned to the City’s LAP projects has advised City Staff to move forward with the transfer of the \$40,000.00 prior to FDOT’s fiscal year end closing process which starts late May/early June. Their fiscal year end is June 30,

2012. Once the close out process starts, it is difficult to get Supplemental LAP Agreements approved and executed. In addition, the availability of the \$40,000.00 cannot be guaranteed once FDOT's new fiscal year begins. Similarly, the City cannot be guaranteed that additional funding will be available once bids are opened. The \$40,000.00 is available now for the transfer. If the City needs additional funds after bids are opened, a request would need to be submitted. If funds are available at the time of the request, it is possible for the City to receive additional funding if approved by FDOT.

OPTIONS:

1. Approve the Supplemental LAP Agreement and authorize the City Manager to execute the supplemental agreement. This allows for the transfer of \$40,000.00 from CEI funds to construction funds to help decrease the anticipated shortfall for the Poinciana Elementary SRTS Sidewalk Improvement Project. The transfer will increase construction funding to \$346,408.00. The funding does not require a City match.
2. Do not approve the Supplemental LAP Agreement. With this option, if the bids come in higher than \$306,408.00 (current level of grant funding), the City would need to fund the entire amount of the shortfall. Currently the shortfall is estimated to be \$73,020.07.

FINANCIAL IMPACT:

At this point, there is no financial impact to the City for the \$40,000.00 transfer since we budget construction and construction, engineering & inspection grant funding in the same account (FDOT LAP Grant revenue account 102-0000-334-49-01) / Project EN1101. The project costs associated with the Poinciana Elementary School SRTS Sidewalk Improvement Project are budgeted in expense account 102-4104-541-63-00 / EN1101.

The Supplemental LAP Agreement currently includes Local Funds of \$33,020.00 (rounded). As previously stated, FDOT will exhaust all of their funding before the Local Agency is required to incur costs leaving the Local Agency responsible for any costs in excess of the funding in place. Taking into consideration the \$40,000.00 transfer to increase construction funding to \$346,408.00 and the preliminary engineer's estimate of \$379,428.07, the Local Agency must currently fund the anticipated shortfall of \$33,020.00 (rounded).

If there is a shortfall after bids are opened, the Local Agency is responsible for funding the shortfall. However, City Staff will request additional funding from FDOT. If approved, this will lessen or eliminate the amount the City must fund.

RECOMMENDATION:

Staff recommends the City Commission select option 1, approve the Supplemental LAP Agreement and authorize the City Manager to execute the supplemental agreement allowing the transfer of \$40,000.00 from CEI funds to construction funds for construction of the Poinciana Elementary School SRTS Sidewalk Improvement Project.