

ACTION TRANSMITTAL No. 2015-31

DATE: May 20, 2015
TO: Technical Advisory Committee
FROM: TAC Funding and Programming Committee
PREPARED BY: Joe Barbeau, Senior Planner (651-602-1705)
SUBJECT: Scope Change Request for Hastings Transportation Enhancement Project
REQUESTED ACTION: The City of Hastings requests modification of the scope of its Transportation Enhancement-funded project (SP# 130-090-004) in 2016 to reduce the project scope and some funding.
RECOMMENDED MOTION: Recommend that the Transportation Advisory Board approve the request to modify the scope for the City of Hastings's Transportation Enhancement-funded project (SP# 130-090-004) with a reduction in requested federal funding.

BACKGROUND AND PURPOSE OF ACTION: The City of Hastings received \$720,000 in Transportation Enhancement (TE) funding for construction of three trail segments to help complete the Vermillion River Regional Greenway in the 2011 Regional Solicitation.

The City is requesting a scope change that would reduce its original scope and federal funding amount. The original scope calls for construction of three segments of trail:

- Segment 1: 1,915 linear feet - Trail along Bailey Street from existing trail at 3rd Street to existing trail at 8th Street
- Segment 2: 1,870 linear feet – Trail along 10th Street East from existing trail at Progress Dr, crossing the Vermillion River, to existing trail in CP Adams Park
- Segment 3: 2,995 linear feet – Trail along Vermillion River from existing trail at western boundary of CP Adams Park to existing trail south of the Vermillion River trail bridge crossing

Segment 1 is now proposed to be fully-funded as part of a local project. A portion of Segment 2 has already been constructed as part of a reconstruction project. Note that this segment has moved adjacent to the roadway.

As shown in the attached request, the following changes are proposed:

- Elimination of Segment 1.
- Elimination of approximately 975 linear feet of Segment 2.

Segment 3 will remain intact as proposed. The original application would have constructed 6,780 linear feet. The update would construct 3,890 feet (57.4% of the original length).

The project, originally estimated at \$900,000, is now estimated at \$805,000. The applicant is asking for the federal contribution to be reduced from \$720,000 to \$644,000 (a difference of \$76,000, 10.5%).

RELATIONSHIP TO REGIONAL POLICY: Projects that receive funding through the regional solicitation process are subject to the regional scope change policy. The purpose of this policy is to ensure that the project is designed and constructed according to the plans and intent described in the original application. The scope change policy and process allow project sponsors to make adjustments to their projects as needed while still providing substantially the same benefits described in their original project applications.

A TIP amendment is not needed because the changes, if approved, will be incorporated into the new 2016-2019 TIP. The project will not be authorized prior to approval of that TIP.

STAFF ANALYSIS: Staff reviewed the submitted scope change request. The project originally scored 801 points and was ranked fourth out of 50 projects that applied in the Transportation Enhancement category. Staff review, which included sharing the proposed update with scorers from the 2011 Regional Solicitation, examined whether the updated project would have scored well enough to be funded. As illustrated in the table below, no scorer felt that the project as now presented would have a score that differed from the original score. The below table highlights all categories:

Criteria	Category	Max	Orig	New	Notes
1	Urgency	200	160	160	Scorer feels that there is no change.
2	Impact	300	250	250	Scorer feels that there is no change.
3	Relationship Between Categories	100	80	80	Scorer feels that there is no change.
4	Relationship to Intermodal Transportation	100	69	69	Scorer feels that there is no change.
5	Development Framework	100	85	85	Scorer feels that there is no change.
6	Maturity of Project Concept	200	157	157	Scorer feels that there is no change.
TOTAL		100	801	801	

Based on the scores, staff recommends approval of the scope change's physical layout.

However, the amount of federal funding to include with the scope change remains in question at this point. One scorer asked that the Committee take a close look at the amount of funding by which the project is reduced. The scorer cautioned that the applicant should not receive extra consideration for changes in construction costs and greater knowledge as to what it would take to build the project, as this would be unfair to other applicants that are funded based on what they knew at the time of application.

The applicant has estimated the overall project cost at \$805,000 versus the original \$900,000 (a 10.6% reduction) while the project length has been reduced by 42.6%. The applicant argues that the remaining segment is more expensive to construct than the other segments and therefore has not shown a reduced federal contribution to match the 42.6% proportion.

The staff attachment shown on page 10 of this handout compares the original budget to the updated budget (provided by the applicant on page 9). This comparison shows an *increase* in budget amount for four different categories, despite no more additional

segments being completed on the project. This includes an increase in the “bridges” category, despite the removal of a bridge from Segment 2. These amounts could be assumed to be due to cost changes since the project was programmed in 2012. Past practice does not point to a specific formula as to how to address federal funding for such requests. Options include:

1. Approving the requested \$644,000 in federal contribution.
2. Reducing the federal contribution by the amount of increase in categories with increases in budget (this would reduce the federal portion to \$610,000).
 - a. In addition to this, assume reduction of 42.6% for the items shown to not be reduced in the budget (this would reduce the federal portion to \$487,140) (See “2a Reduction” on the staff attachment, page 10).
3. Reducing the federal contribution to be proportionate to the linear feet reduction (this would reduce the federal portion to \$413,097).

COMMITTEE COMMENTS AND ACTION: At its May 21, 2015, meeting, the TAC Funding and Programming Committee unanimously recommended approval of the scope change request as requested by the City.

ROUTING

TO	ACTION REQUESTED	DATE COMPLETED
TAC Funding & Programming Committee	Review & Recommend	5/21/2015
Technical Advisory Committee	Review & Recommend	
Transportation Advisory Board	Review & Approve	

STAFF ATTACHMENT: COST CHANGES

Item	Cost (Original)	Cost (Request)	Difference*	2a Reduction
Mobilization (approx. 5% of total cost)	\$25,000	\$25,000	-	\$10,650.000
Removals (approx. 5% of total cost)	\$10,000	\$35,000	\$25,000	\$25,000
Storm Sewer	\$20,000	\$15,000	-\$5,000	
Concrete Items (curb & gutter, sidewalks, median barriers)	\$10,000	\$10,000	-	\$4,260.000
Pedestrian Curb Ramps (ADA)	\$5,000	\$5,000	-	\$2,130.000
Path/Trail Construction	\$425,000	\$250,000	-\$175,000	
Traffic Control	\$5,000	\$5,000	-	\$2,130.000
Striping	\$5,000	\$0	-\$5,000	
Signing	\$5,000	\$5,000	-	\$2,130.000
Lighting	\$25,000	\$25,000	-	\$10,650.000
Turf - Erosion & Landscaping	\$10,000	\$15,000	\$5,000	\$5,000
Bridge	\$200,000	\$250,000	\$50,000	\$50,000
Retaining Walls	\$20,000	\$50,000	\$30,000	\$30,000
Other Natural and Cultural Resource Protection	\$5,000	\$5,000	-	\$2,130.000
Fencing	\$30,000	\$30,000	-	\$12,780.000
Contingencies	\$100,000	\$80,000	-\$20,000	
TOTAL			-\$95,000	\$156,860.000

*Costs that have increased are underlined



May 6, 2015

Timothy Mayasich
Chair, TAC Funding and Programming Committee
Metropolitan Council
390 Robert Street North
St. Paul, MN 55101

RE: Scope Change Request
Vermillion River Regional Greenway
City of Hastings

Dear Mr. Mayasich:

In September, 2012, the Technical Advisory Board for the Metropolitan Council awarded the City of Hastings \$900,000 for the construction of extension segments on the Vermillion River Regional Greenway trail system. The purpose of this letter is to request a scope change for the project.

The original scope of the project included construction of three segments of trail which served as interconnections of gaps within the current trail system and part of the Vermillion River Regional Greenway. Since 2012, one of those segments has been partially constructed and funded as part of a City reconstruction project. Another segment is proposed to be constructed and funded in its entirety in 2016 or 2017 as part of another City reconstruction project. The remaining trail segments represent that portion of the trail which will produce the most challenging design and construction obstacles, including the possibility of a section of cantilevered trail along the Vermillion River Gorge. Please refer to the following pages for further details.

Thank you for your consideration of this scope change. If you have any questions or need further information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "John Caven".

John Caven, P.E.
Assistant City Engineer

Enclosures

SCOPE CHANGE REQUEST

Vermillion River Regional Greenway
Hastings, Minnesota

Location Map

Two maps representing the location of the project are attached and described as follows:

Figure 1: 2011 project as approved for funding in 2012

Figure 2: Proposed 2016 project

Revised Project Description

The original application proposed construction of three separate trail segments between an existing trail segment near the intersection of Bailly Street and 3rd Street in Hastings to an existing trail along the south side of the Vermillion River east of Vermillion Falls. The total length of these three segments was approximately 6,780 lineal feet. The following is a summary of the three segments:

Segment 1: 1,915 LF - Trail along Bailly Street from existing trail at 3rd Street to existing trail at 8th Street

Segment 2: 1,870 LF – Trail along 10th Street East from existing trail at Progress Dr, crossing the Vermillion River, to existing trail in CP Adams Park

Segment 3: 2,995 LF – Trail along Vermillion River from existing trail at western boundary of CP Adams Park to existing trail south of the Vermillion River trail bridge crossing

Since the application was approved, segment 2 was partially constructed as a part of a City reconstruction project. The crossing of the Vermillion River was accomplished by modifying the existing 10th St E river bridge to accommodate the trail. Segment 1 is proposed to be fully funded and constructed as part of a different City reconstruction project, currently scheduled for 2016 or 2017.

The following summarizes the proposed scope change:

1. Deletion of segment 1 in its entirety as described above;
2. Deletion of approximately 975 LF of segment 2

The project as proposed will now encompass construction of approximately 3,890 lineal feet of trail.

Work to be Completed

Plan Submittal to State Aid.....	September, 2015
Project Memorandum Submittal.....	October, 2015
Project Memorandum Approval.....	December, 2015
Plan Approval.....	December, 2015
Bid Process.....	February, 2016
Construction.....	April-July, 2016

Revised Cost Estimate

The table below summarizes the costs and funding information for both the original 2012 proposal and the current proposal. A modified construction cost estimate is provided as **Figure 3**.

Funding Source	Original Project Proposal (2012)	Proposal with Scope Change
Federal Funds	\$720,000	\$644,000
Local Funds (Dakota County)	\$180,000	\$161,000
TOTAL	\$900,000	\$805,000

The overall length of the project as now proposed has decreased by approximately 43%, with the cost estimate decreasing by approximately 11%. This cost disparity can be attributed to two primary factors:

1. By installing the trail along a scenic area of the Vermillion River Gorge, it is anticipated that a section of the trail will need to be constructed with a structure that is cantilevered along the edge of the gorge. Installing the trail in this manner will allow for a separation of pedestrian and vehicle traffic, specifically north of the MnDOT truck station, as well as provide the users of the trail a more impactful experience and an outstanding view of the gorge. This cost is shown in the estimate as the "Bridge" item; and
2. Further investigation of the site has made it evident that additional retaining walls will be needed as the trail follows along a steep embankment as it travels beneath 18th Street E.



Figure 1

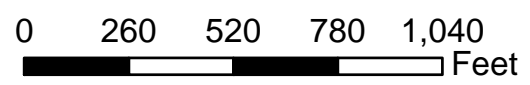
**Vermillion River Greenway
Hastings
2011 Project Scope**



0 450 900 1,350 1,800 Feet



**Vermillion River Greenway
Hastings
2016 Project Scope**



Vermillion River Regional Greenway Trail		
CONSTRUCTION PROJECT ELEMENTS/COST ESTIMATES May 6, 2015		
Check all that apply	ITEM	COST
<input checked="" type="checkbox"/>	Mobilization (approx. 5% of total cost)	\$25,000
<input checked="" type="checkbox"/>	Removals (approx. 5% of total cost)	\$35,000
<input type="checkbox"/>	Roadway (grading, borrow, etc.)	\$
<input type="checkbox"/>	Roadway (aggregates and paving)	\$
<input type="checkbox"/>	Subgrade Correction (muck)	\$
<input checked="" type="checkbox"/>	Storm Sewer	\$15,000
<input type="checkbox"/>	Ponds	\$
<input checked="" type="checkbox"/>	Concrete Items (curb & gutter, sidewalks, median barriers)	\$10,000
<input checked="" type="checkbox"/>	Pedestrian Curb Ramps (ADA)	\$5,000
<input checked="" type="checkbox"/>	Path/Trail Construction	\$250,000
<input checked="" type="checkbox"/>	Traffic Control	\$5,000
<input type="checkbox"/>	Striping	\$
<input checked="" type="checkbox"/>	Signing	\$5,000
<input checked="" type="checkbox"/>	Lighting	\$25,000
<input checked="" type="checkbox"/>	Turf - Erosion & Landscaping	\$15,000
<input checked="" type="checkbox"/>	Bridge	\$250,000
<input checked="" type="checkbox"/>	Retaining Walls	\$50,000
<input type="checkbox"/>	Noise Wall	\$
<input type="checkbox"/>	Traffic Signals	\$
<input type="checkbox"/>	Wetland Mitigation	\$
<input checked="" type="checkbox"/>	Other Natural and Cultural Resource Protection	\$5,000
<input type="checkbox"/>	RR Crossing	\$
<input checked="" type="checkbox"/>	Fencing	\$30,000
<input type="checkbox"/>		\$
<input type="checkbox"/>		\$
<input type="checkbox"/>		\$
<input type="checkbox"/>		\$
<input type="checkbox"/>		\$
<input checked="" type="checkbox"/>	Contingencies	\$80,000
	TOTAL CONSTRUCTION COST	\$805,000

Figure 3