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INFORMATION:

CityLYNX Gold Line Phase 2 Project Construction

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The CityLYNX Gold Line Phase 2 Project will extend the current Gold Line 2.5 miles east and west, creating a four-mile operating segment, replacing existing Gomaco vehicles with modern streetcars, and raising Phase 1 platforms to accommodate the new vehicles.

Grant Agreement

The Federal Transit Administration (FTA) approved the Small Starts Grant Agreement on May 23, 2016. The grant approval secures the 50% federal share of the total \$150 million project budget. Charlotte City Council approved the \$75 million local share on September 8, 2014. The City may now seek reimbursement for the federal share of funds expended since the project entered Project Development in February 2014.

Construction Bids

The CityLYNX Gold Line Phase 2 Project was advertised for bid from April 25 to June 23, 2016. The City received two bids. The invitation for bid included the CityLYNX Gold Line Phase 2 element and planned City improvements not part of the Gold Line. These improvements include upgrades to traffic signals, storm water, water and sewer, and elements of the Frazier Avenue Neighborhood Improvement Project.

After reviewing the bids, staff has determined both bids contain unreasonably high costs, especially on traditional infrastructure items. The apparent low bid for construction places the CityLYNX Gold Line Phase 2 Project \$9.2 million (6.6%) over the \$150 million project budget. A table summarizing the *Bid versus the Estimate* is attached. The City of Charlotte has processes in place, based on state and federal law, which guide its actions in responding to such bids.

In addition, the apparent low bid is also \$21 million over the estimate for the City improvements that are not part of the Gold Line. As is typical with City projects, these improvements were coordinated, combined, and bid together to minimize costs, disruptions and impacts to citizens along the corridor including Center City, the Elizabeth neighborhood, and Historic West End.

Attached is the CityLYNX Gold Line Bid vs. Estimate Summary.



2016-07-20
Comparison Summary

Next Steps

City staff's goal is to bring the project within budget through negotiation. As a federally funded project, Federal Acquisition Regulations apply. Federal law requires the City to reject the two bids received and notify the bidders of its intent to seek a negotiated contract price within the funds available.

Certificate of Achievement for Excellence in Financial Reporting (CAFR)

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The Finance Office has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR) for fiscal year 2015. This certificate is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment. This is the City of Charlotte's thirty-first consecutive Certificate of Achievement for Excellence in Financial Reporting.

In order to receive this award, the CAFR was judged and reviewed by an impartial panel to meet the high standards of the program including demonstrating a constructive "Spirit of Full Disclosure" to clearly communicate the City's financial story. The GFOA established this program to encourage and assist state and local governments to exceed the minimum requirements of generally accepted accounting principles and to recognize individual governments that succeed in preparing comprehensive annual financial reports that evidence the spirit of transparency and full disclosure.

CityLYNX Gold Line Bid vs. Estimate Summary

CityLYNX Gold Line			
	Estimate	Conti	Balfour
Streetcar Construction (Includes 5% Contingency)	\$ 80,280,096	\$ 89,451,245	\$ 102,159,741
Streetcar Non-Construction Costs ⁺ (Design, Right-of-Way, Staff, Etc.)	\$ 28,833,326	\$ 28,833,326	\$ 28,833,326
Modern Streetcar - 7 Vehicles ⁺ (On-Wire , includes Spare Parts)	\$ 40,886,578	\$ 40,886,578	\$ 40,886,578
Total Project Cost	\$ 150,000,000	\$ 159,171,149	\$ 171,879,645

⁺ Items procured separately outside of Construction Bid

City Improvements Not Part of the Gold Line			
	Estimate	Conti	Balfour
City Improvements [*] (Not Part of the Gold Line)	\$ 12,932,442	\$ 33,850,698	\$ 26,315,148
Total Construction Cost (Streetcar Construction plus City Improvements)	\$ 93,212,538	\$ 123,301,943	\$ 128,474,889

^{*} Cost denotes planned City improvements not part of the Gold Line that were timed to be constructed together to minimize impacts, create additional capacity, and to create a complete street along the corridor.

These improvements include upgrades to traffic signals, storm water, water and sewer and elements of the Frazier Avenue Neighborhood Improvement Project.