


Memorandum

To: Cris Papierniak, PE, Director of Public Works & Engineering

From: Mike Pagones, PE, Village Engineer 

Date: September 8, 2022

Subject: 2020-27: Wilke Road Resurfacing & Multi-Use Path – Project Cost Update

The Phase 1 Project Development Report prepared by Christopher B. Burke Engineering, Ltd. (CBBEL) was submitted to IDOT on August 11, 2022 and approved by District 1 on August 22, 2022. The report included an updated construction cost estimate, which was a significant increase from the original estimate. CBBEL also provided the Village a proposal for the Phase 2 engineering design portion of the project. The table below details the changes in cost:

	Previous Estimate		Updated Estimate	
	Overall Cost	Federal Cost	Overall Cost	Federal Cost
Phase 2 Engineering	\$ 240,000	\$ 120,000	\$ 318,600	\$ 0
Construction	\$ 2,819,700	\$ 2,050,200	\$ 4,535,100	\$ 2,227,150
Phase 3 Engineering	\$ 313,300	\$ 227,800	\$ 453,510	\$ 170,850
Total	\$ 3,373,000	\$ 2,398,000	\$ 5,307,210	\$ 2,398,000

After discussion with CBBEL and Kendra Johnson of the NWMC, it was agreed that the current \$120,000 in Federal funds allocated to Phase 2 engineering design would be re-allocated to Phase 3 construction/construction engineering (CON/CE). This will allow the Village to pursue Phase 2 design without having to involve IDOT in a consultant agreement, eliminating the months of time needed for the agreement approval, while still utilizing the full amount of Federal funding already allocated.

The project is currently programmed for design and construction in Federal FY2023. Since Phase 2 design has not yet begun, this timeline is unattainable. We will request the NWMC to reprogram the construction for 2024. This will still allow for a late fall/early winter 2023 letting, since the Federal FY2024 begins on October 1, 2023. A letting before the end of the year can hopefully bring better prices and scheduling for spring 2024 construction.

We will also be requesting additional Federal funding up to the maximum allowable \$3.5 million. According to Kendra, there is very little additional funding currently available, but in another year, it is possible other projects may be pushed back and free up additional funding. We'll send our request now to be first in line.

Since Rolling Meadows is partnering with us on this project, we have updated them on the cost increases and will work out the IGA for the Phase 2 design contract.

The tables below show an estimated breakdown of funding sources, based on the previous cost estimate and the updated cost estimate. The percentages for the local share split are based on the Phase 1 IGA with the City of Rolling Meadows (CRM).

Previous Estimate				
	Overall Cost	Federal Cost	VAH Share 79.6%	CRM Share 20.4%
Phase 2 Engineering	\$ 240,000	\$ 120,000	\$ 95,520	\$ 24,480
Construction	\$ 2,819,700	\$ 2,050,200	\$ 612,522	\$ 156,978
Phase 3 Engineering	\$ 313,300	\$ 227,800	\$ 68,058	\$ 17,442
Total	\$ 3,373,000	\$ 2,398,000	\$ 776,100	\$ 198,900

Updated Estimate				
	Overall Cost	Federal Cost	VAH Share 79.6%	CRM Share 20.4%
Phase 2 Engineering	\$ 318,566	\$ 0	\$ 253,579	\$ 64,987
Construction	\$ 4,535,100	\$ 2,227,150	\$ 1,837,129	\$ 470,821
Phase 3 Engineering	\$ 453,510	\$ 170,850	\$ 224,998	\$ 57,662
Total	\$ 5,307,210	\$ 2,398,000	\$ 2,315,732	\$ 593,478

The increase in costs will require a budget increase for this year to fund the Phase 2 Engineering. The 2023 CIP includes \$997,000 for Construction and Phase 3 Engineering and although the project will be shifted to the Federal FY2024, it will still be in the Village's FY2023 budget.

	Budget Year	Current Budget Amount	Required Budget Amount	Additional Funding Needed	Reimbursed Costs
Phase 2 Engineering ¹	2022	\$ 170,000	\$ 318,566	\$ 148,566	\$ 64,987
Construction ²	2023	\$ 897,300	\$ 2,307,950	\$ 1,410,650	\$ 470,821
Phase 3 Engineering ³	2023	\$ 99,700	\$ 453,510	\$ 353,810	\$ 228,512

1 – VAH to front costs, VAH bills CRM for their share

2 – IDOT fronts cost, bills VAH for Local share, VAH bills CRM for their share

3 – VAH to front costs, invoices for Federal reimbursement, VAH bills CRM for their share

Finance concurs with the recommendation to increase the budget for this year to fund the Phase 2 Engineering. The Board will be requested to approve an ordinance to amend the 2022 budget at an upcoming Board meeting. The 2023 proposed budget will reflect the cost increases to construction and Phase 3 engineering.

Thank you.

c: Tom Kuehne, Director of Finance
 Rob Horne, Assistant Director of Public Works & Engineering
 Aldair Vargas, PE, Civil Engineer II