



For Your Information
July 12, 2013

To: Mayor and Members of Council
From: Milton Dohoney, Jr., City Manager  
Subject: Streetcar Construction Contract

With City Council's approval of \$17.4 Million as well as the award of an additional \$5 Million in federal dollars in funding to the streetcar project, the streetcar project is sufficiently funded to proceed with the award of a construction contract to Messer/Prus/Delta Railroad JV (MPD), the low bidder. The Administration is in the final stages of those discussions and we expect that to be executed in the immediate future.

The project team has been meeting regularly with MPD to discuss additional cost and schedule changes related to the delay between the anticipated Notice to Proceed (NTP) date of April 8, 2013 and the new award date. MPD has requested additional funding in the amount of \$492,933 related to increased costs for materials and labor resulting from this delay. This is covered in the current project budget.

As discussed before Council, The Administration was not able to negotiate the final contract provisions and associated costs until the money was available. No reductions to contract scope are included in this contract. We're very glad that the MPD team has remained committed over the last few months and it underscores our confidence that they are the right choice for our project.

The project team has reviewed MPD's request and has concluded that the costs are reasonable and represent estimated costs associated with the delay in contract award as well as the risk that Messer and City are willing to take to due to this delay.