



## Staff Report

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**File #:** 23-283

**Version:** 1

**Date:** 7/24/2023

**Item #:** 3.3b.

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**TO:** Mayor and City Council

**THROUGH:** Keith Stahley, ICMA-CM, City Manager

**FROM:** Brian D. Martin, PE, Public Works Director

**SUBJECT:**

Increase Navigation Center project funds from \$5.2 million to \$5.3 million using existing State grant funds.

Ward(s): Ward 2

Councilor(s): Councilor Nishioka

Neighborhood(s): Neighborhood SESNA

Result Area(s): Safe, Reliable, and Efficient Infrastructure; Welcoming and Livable Community

**SUMMARY:**

The Salem Navigation Center Improvements project was initially budgeted at \$5.2 million and scheduled for completion in November 2022. Supply chain issues have delayed times for delivery of some equipment and resulted in a contract completion date extension to November 2023. The extended time for project completion has caused increased contractor and project management costs.

**ISSUE:**

Shall the City Council authorize an increase to the project budget of \$100,000 from existing State grant funding to complete the Navigation Center Improvements project?

**RECOMMENDATION:**

Authorize an increase to the project budget of \$100,000 from existing State grant funding to complete the Navigation Center Improvements project.

## FACTS AND FINDINGS:

Due to supply chain issues with the replacement of roof top HVAC units and an emergency backup generator, the final completion date for the Navigation Center was extended to November 2023. The facility was opened for services June 1, 2023, under a Temporary Certificate of Occupancy (TCO). Final Occupancy will be issued once the delayed equipment is installed. The project budget increase will cover costs to repair the existing roof top HVAC units and keep them in service until Final Occupancy. It will also cover costs related to the one-year construction contract time extension including increased internal project management costs, Owner's representative services costs, contractor administrative costs, as well as provide some additional budget capacity for other costs arising prior to project completion.

The following is a breakdown of the current project budget:

Expenditures to Date:	\$4,836,000
Projected Expenditures:	<u>\$ 464,000</u>
Total Expenditures:	\$5,300,000.00

Present Budget:	\$5,200,000.00
Estimated Shortfall:	\$( 100,000.00)

## BACKGROUND:

This authorization will increase the overall project budget by \$100,000. There is sufficient budget authority and existing State grant funding to accommodate this change.

Allen Dannen, PE,  
Acting City Engineer

Attachments:

1. None