

CITY OF LANSING

800 1st Terrace
Lansing, KS 66043
913-727-3233 Fax: 913-828-4579
www.lansing.ks.us

WORK SESSION AGENDA

March 28, 2019
Thursday
7:00 p.m.
Lansing City Hall



Call To Order:

- I. DeSoto Road & 4-H Road Roundabout Cost Discussion
- II. Local Preference Purchase Policy Discussion

Adjournment



WORKSESSION ITEM

TO: Tim Vandall, City Administrator 
FROM: Jeff A. Rupp, Director of Public Works 
DATE: March 25, 2019
SUBJECT: Updated Roundabout Project Cost Estimates

Recently, staff, working with Benesch Engineering, prepared updates for the project costs of the roundabout for a recent KDOT grant submission (see attached document). The updates were based on discussions with the City Council, City Engineer, and staff from Benesch Engineering.

The attached document reflects the construction costs, but now includes the updated right of way costs (based on five lanes as preferred by City Council in a November 2018 meeting), estimated utility relocation costs, and updated construction item costs to meet Lansing Technical Specifications.

Action: None. Staff recommends paying for right of way acquisition and utility relocation out of Fund 70 reserves, and then reimbursing that fund once we bond the project out.

WORKSESSION ITEM #

ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST

ESTIMATOR: Alfred Benesch & Company

BY: J. Jussel, P.E., PTOE

PROJECT NO.: 4H Road and Desoto Road Roundabout
Benesch No. 130573.00

Date: 20-Mar-2019

NO.	ITEM	QUANTITY	UNIT	UNIT COST	TOTAL COST
1	Contractor Construction Staking	1	L.S.	\$15,000.00	\$15,000.00
2	Field Office & Laboratory (Type A)	1	Each	\$5,000.00	\$5,000.00
3	Mobilization	1	L.S.	\$57,000.00	\$57,000.00
4	Clearing and Grubbing	1	L.S.	\$12,000.00	\$12,000.00
5	Unclassified Excavation	515	C.Y.	\$12.00	\$6,180.00
6	Compaction of Earthwork (Type B)	6,820	C.Y.	\$4.00	\$27,280.00
7	Compaction of Earthwork (Type AA)(MR-5-5)	1,628	C.Y.	\$4.00	\$6,512.00
8	Pavement Removal	544	C.Y.	\$40.00	\$21,760.00
9	Curb and Gutter, Dry	1,374	L.F.	\$35.00	\$48,090.00
10	Curb and Gutter, Wet	1,236	L.F.	\$30.00	\$37,080.00
11	12" Asphalt Pavement	3,298	TONS	\$160.00	\$527,680.00
12	4" Stamped Concrete	512	S.Y.	\$80.00	\$40,960.00
13	9" Concrete Truck Apron (Stamped)	427	S.Y.	\$100.00	\$42,700.00
14	Concrete Sidewalk ADA Ramp with Truncated Domes	44	S.Y.	\$125.00	\$5,462.50
15	4" Concrete Sidewalk	650	S.Y.	\$40.00	\$26,008.00
16	Storm Sewer (RCP) (24")	200	L.F.	\$60.00	\$12,000.00
17	Inlet (Type 22 Curb)	6	Each	\$4,500.00	\$27,000.00
18	Aggregate Ditch Lining (12")	50	C.Y.	\$45.00	\$2,250.00
19	Seeding	1	LS	\$2,500.00	\$2,500.00
20	Erosion Control	1	LS	\$3,500.00	\$3,500.00
21	Street Lighting	8	Each	\$2,500.00	\$20,000.00
22	Signing	1	LS	\$5,000.00	\$5,000.00
23	Pavement Marking	1	LS	\$10,000.00	\$10,000.00
24	Double 8'x8' RCB Culvert	1	LS	\$225,000.00	\$225,000.00
25	Traffic Control	1	LS	\$7,500.00	\$7,500.00

Subtotal Base Construction Cost (2018 Dollars)	\$1,193,462.50
Contingency (15%)	\$179,000.00

Probable Construction Cost Total	\$1,372,462.50
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Additional Probable Project Cost

1	Construction Engineering	1	LS	\$137,000.00	\$137,000.00
2	Right-of-Way (Roundabout)	1	LS	\$15,200.00	\$15,200.00
3	Right-of-Way (Corridor 120')	1	LS	\$89,680.00	\$89,680.00
4	Utility Adjustments	1	LS	\$300,000.00	\$300,000.00
5	Utility Adjustments Corridor	2	LS	Unknown	-

Additional Probable Project Costs (2018 Dollars)	\$541,880.00
Inflation Amount (4.5%/year)	\$270,240.31

Total Probable Construction Costs (2018 Dollars)	\$2,184,582.81
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Note: All Unit Prices are based on 2018 values. The costs shown on this estimate represent an estimate of probable costs prepared in good faith with reasonable care. Benesch has no control over the costs of construction labor materials, or equipment, not over competitive bidding or negotiating methods and does not make any commitment or assume any duty to assure that bids or negotiated prices will not vary from this estimate.

WORKSESSION ITEM

TO: Mayor, City Councilmembers
FROM: Tim Vandall, City Administrator
DATE: March 25, 2019
SUBJECT: Local Preference Purchasing Policy

Included in the agenda materials is the section of our purchasing policy which outlines a local preference to businesses based out of Lansing, Kansas. Please note, even with the 2% latitude in the current policy, it is still a council decision and the Governing Body has the right to choose the low bid over a local bidder within 2% if they see fit. Nothing in our current policy requires the City to choose a local bidder.

Of the cities I have spoken with, a majority have some type of local preference, which varies between 2% and 15%. Two communities I spoke with tightened down their policy a bit more by stating up to 3%-5%, but the amount cannot exceed \$5,000 so the policy would only apply to smaller projects. Another community has a policy which allows local bidders the opportunity to match a low bid if they are within 3% of the lowest bid (this community stated this policy has not been utilized and thus has not been legally challenged).

On one side of this argument, dollars spent to local businesses are typically recirculated in the community several times. For instance, an employee of a company may live in town and pay their mortgage or rent in Lansing; they may purchase their vehicles in Lansing. They may purchase groceries or frequent restaurants in town, which generates sales tax for the City. Local companies are also more likely to sponsor City events and contribute to local nonprofits like the Lansing Educational Foundation.

Conversely, an argument on the other side is the local contractor already should have a benefit by having lesser mobilization costs over non-local contractors. Some people also believe policies like this discourage non-local contractors from bidding on projects. Finally, utilizing a local preference policy for a local company over the low bid essentially means we are taking the second lowest bid, and therefore spending more money than we'd need to.

I have not heard of any legal challenges to a local preference purchasing policy, and thus cannot opine on our current policy; however, most communities I spoke to did have some form of a local preference policy.

In addition to the discussion about local preference purchasing, Tony Zell will also bring up the idea of having a list of pre-qualified bidders for substantial projects.

APPENDIX A

CITY OF LANSING

PURCHASING POLICY

I. PURPOSE:

To establish purchasing authority levels for City of Lansing expenditures.

II. THE PROGRAM:

1. Departmental accounts shall be established in each fund. These accounts shall be divided into four (4) broad areas:
 - a. Personnel Services, Contractual Services, Commodities, and Capital Outlay. Operating accounts shall be created under each fund type as follows:
 - i. **GENERAL FUND:** Administration Department; Police Department; Municipal Court Division; Emergency Operations/Preparedness Division; Street Division; Building Maintenance Division; Street Lighting Division; Parks and Recreation Department; Community Development Division; Finance Department; Public Works Department, Community Center Division, Economic Development Department, Lansing Activity Center, Human Resources Department, Non-departmental Division, and Office of the City Administrator.
 - ii. **SPECIAL REVENUE FUNDS:** Library; Consolidated Street and Highway; Special Parks and Recreation; Special Alcoholic Liquor Fund; Mayor's Christmas Tree Fund; KS Regional Prison Museum Fund; Transient Guest Tax Fund; and Economic Development Fund.
 - iii. **DEBT SERVICE FUND:** Bond and Interest Fund.
 - iv. **ENTERPRISE FUNDS:** Wastewater Utility and Solid Waste Utility Funds.
 - v. **RESERVE FUNDS:** Capital Improvements and Equipment Reserve Funds.
 - b. During budget preparation each department/division shall establish (but are not limited to) the following accounts: Personnel Services - i.e., Regular Payroll, Part-time Payroll, Overtime and Benefits; Contractual Services - i.e., Insurance, Legal, and Utilities; Commodities - i.e., Office Supplies and Maintenance; and Capital Outlay - i.e., Acquisition and Replacement Accounts.
 - c. If other funds or accounts are necessary for efficient and effective service delivery they may be developed.
2. Upon determining the budgeted amount for operating accounts, each department is committed to expending NO MORE THAN THE BUDGETED AMOUNT FOR THAT OPERATION ACCOUNT. It is understood that certain contingencies are unforeseen in the course of operation; therefore budget authority is transferable within individual department, division, or fund (in addition to the budget amendments as authorized by statute). Each department director may petition the Finance Director for a transfer of budget authority within an individual department or division. The Finance Director, based on his/her overall supervisory authority of purchases, may deny the transfer if it is judged in the best interests of the city. The Finance

Director, in consultation with the City Administrator, may also transfer budget authority within funds (i.e., General Fund - Administration to General Fund - Streets) when it is in the best interests of the city. Budgeted transfers of money between funds (i.e., General Fund to Capital Improvements Fund) require city council authorization. The Finance Director, based on his/her overall supervisory authority of purchases, may deny any requested transfer if it is judged in the best interests of the city.

3. If a department director believes the "request for a budget authority transfer" is denied for some reason other than the best interest of the city, he/she may appeal the request to the City Administrator. If it is found that the transfer was denied for any reason other than the best interest of the city, the City Administrator may approve or disapprove the department director's request for transfer.
4. Purchasing authority limitations shall be set as follows:

<u>AUTHORITY LEVEL</u>	<u>AMOUNT</u>
------------------------	---------------

- | | |
|--|-----------|
| a. Superintendent..... <ol style="list-style-type: none"> i. Public Information Officer ii. Street Superintendent iii. Parks & Recreation Superintendent iv. Recreation Programmer v. Community Development Superintendent vi. Wastewater Utility Superintendent vii. Police Captain | \$ 3,000 |
| b. Department Head..... <ol style="list-style-type: none"> i. Finance Director ii. Public Works Director iii. Police Chief iv. Human Resources Director/City Clerk v. Parks & Recreation Director vi. WWT Director vii. Economic/CVB Director viii. Library Director | \$ 7,500 |
| c. City Administrator..... | \$ 15,000 |
| d. Mayor..... | \$15,000 |
| e. Where a purchase amount exceeds an authority level's limit, approval from the next purchasing level must be granted. For example, a \$3,100 purchase requested by a superintendent must also be approved by his/her department head prior to obtaining a purchase order. City council's approval is required for any purchase greater than \$15,000, except for routine monthly obligations (i.e. utility bills), and contractual obligations (i.e. bond payments, worker's compensation premiums, progress payments on contracts). | |

5. The City Administrator, or in his absence the Mayor, has approving authority for emergency purchases that are necessary for continued city operations, provided the emergency is documented. Department heads have authority for emergency purchases within their spending authority, and must report such instances to the City Administrator at their earliest opportunity. No competitive bidding is required for emergency purchases.

6. **Combining purchasing authority to circumvent levels of purchasing authorization is prohibited.**
7. For convenience and to reduce costs, 30 day accounts with approved vendors shall be used for all routine supplies and services. Whenever possible, department heads shall establish monthly purchase requisitions with the approved vendors, and the purchases indicated shall be authorized up to the amount of the monthly purchase order.
8. Individual purchases or purchases of repair parts of an amount less than \$1,500 do not require competition. However, every effort shall be made to insure that all purchases are made in the most economic manner. For purchases of an \$1,500 or more, the following documentation is required:

<u>AMOUNT</u>	<u>DOCUMENTATION</u>
a. \$1,500 - \$2,999	Two Quotes
b. \$3,000 - \$7,499	Three Quotes
c. \$7,500 - \$19,999	Three Written Quotes
d. \$20,000 or greater	Sealed bids received in accordance with an <u>advertised</u> request for proposal.

9. When the City of Lansing solicits quotations or bids for the purchase of goods or services, it is common to receive responses from vendors domiciled both within and outside the Lansing city limits. In such circumstances, if the low quotation or bid is submitted by a vendor domiciled outside the Lansing city limits, then the vendor domiciled within the Lansing city or Leavenworth County limits may be deemed the preferred vendor and awarded the contract, provided that:
 - a. the goods or services quoted or bid by the vendor domiciled within the Lansing city or Leavenworth County limits meets the specifications of the procurement; and
 - b. the amount of the quotation or bid of the vendor domiciled within the Lansing city limits is no more than 2% greater than the amount of the low quotation or bid.
 - c. if there is no vendor domiciled within the Lansing city limits, then the amount of the quotation or bid of the vendor domiciled within the Leavenworth County limits that is no more than 1% greater than the amount of the low quotation or bid will be considered.
 - d. This section shall not apply to the procurement of goods or services that relate to public improvements governed by K.S.A. 14-440.
 - e. For the purpose of this policy, "a vendor domiciled within the Lansing city limits " is defined as a vendor who:
 - i. maintains a permanent place of business within the Lansing city limits, and
 - ii. has a valid State sales tax registration certificate.
 - f. For the purpose of this policy, "a vendor domiciled within the Leavenworth County limits " is defined as a vendor who:
 - i. maintains a permanent place of business outside the Lansing City limits but within the Leavenworth County limits, and

- ii. has a valid State sales tax registration certificate.

 - g. For the purposes of this policy, "an advertised request for proposal" is defined as:
 - i. advertisement in the local newspaper, and
 - ii. advertisement on the city's website and Channel 2.
10. For specialized services, or where alternate suppliers do not exist (i.e., training, seminars, utility bills, insurance, and other contractual obligations), or to utilize a previously bid State or other governmental contract; or because the services required are of a professional nature the City Administrator may waive the requirement for competitive quotes or bids.