

CITY OF REDDING, CALIFORNIA

Council Policy

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Background

In examining the methods for assigning and estimating capital projects, there is a process that generally yields successful completion of projects within budgetary estimates. Projects of a routine nature are administered by departmental staff with experience for estimating and managing that particular type of project. (Examples include: Development Services – roads and waterway systems; Electric Department – substations and electrical distribution systems; and Community Services Department – trails.) Unique or particularly complex projects are assigned by the City Manager, primarily on the basis of three factors – which department is in the best position to fully understand the needs of the project, which department is best equipped to seize funding opportunities (e.g., grants, donations), and which department or individual has the time.

Purpose

These recommendations should improve project estimation, the bid process, teamwork, and the projects themselves. Once implemented, the recommendations can be monitored through the success we have with future projects.

Policy

1. For all unique and complex projects, the City Manager shall appoint an ad hoc department head committee, along with the City’s “in-house” project manager, to provide an estimate of the costs.

2. If the team (see above) and the in-house project manager/consultant recommend a specialty consultant to complete a scoping analysis, that recommendation shall come before the City Council. Such an analysis would result in a partial design, uncovering most of the issues that need to be addressed, and, consequently, would produce a highly reliable cost estimate. Unless the results of the partial design yields the information that the project is not feasible, practical, or affordable, a majority of the work done during the analysis folds right into completing the design process. Therefore, most of these expenditures are recouped as the project moves forward.

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3. Fast-tracking will not be permitted, unless approved by the City Council.

 4. Depending on its practicality, additive alternates should be utilized in the bid process so the City has options if the costs have a significant potential to exceed authorized budget amounts. This approach should be used sparingly in that the number of potential bidders could be diminished, since considerably more time and expense is involved for the preparation of such bids.

 5. When the costs of a project over \$100,000, for whatever reason, begin to look as though they will exceed the authorized budget, the City Council will immediately be informed. When discussing the problems with the project, staff will bring forward alternatives, including additional funding sources that may be available and recommendations of project modifications to mitigate costs.
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