



**TO:** Mayor Shaun Sipma  
Members of the City Council

**FROM:** John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

**DATE:** January 12, 2019

**SUBJECT:** **City Council Approve Demolition Contract Cap Adjustment to \$856,694.13**

**I. RECOMMENDED ACTION**

City Council approve final contract amount for 2018 CDBG-DR/NDR demolition contract with Berger Enterprises, LLC from \$1,799,920 to \$856,694.13

**II. DEPARTMENT CONTACT PERSONS**

John R. Zakian, DR Grant Program Manager & Chief Resilience Officer, 423-4528

**III. DESCRIPTION**

A. Background

The city bids an annual demolition contract through CDBG-DR and CDBG-NDR for structure removal as result of acquisitions for flood mitigation and control projects. Prior to 2018, the city had to regularly add funds to such annual contracts as a result of under estimating demolition activity which posed challenges both in justifying necessary and reasonable costs for such increases pursuant to HUD standards, and in forecasting future availability of CDBG-DR and CDBG-NDR funds for additional demolitions in subsequent years. In 2018, improvements were made based on more focused projections on costs based on a most aggressive acquisition process possibility and continued improvements in the management and disposition of acquired structures. Based on an unanticipated level of success in the auction of structures that can be moved, and a pace of acquisition less than the most aggressive possible, total costs associated with the contract were less than had been projected. It should be noted on the latter impact, this is the result continued city efforts to amicably reach agreements for property acquisitions which, in some cases, necessitates more patience and time than past experience. All structures acquired during 2018 demolition season and necessitating demolition have been assigned to this contract.

B. Proposed Project

The contract total dollar value reduction representing \$942,225.87 which brings the maximum amount from the original \$1,799,920 to \$856,694.13 represents all work to be undertaken under this contract.

**IV. IMPACT:**

A. Strategic Impact:

City is able to demonstrate to HUD ongoing improvements in management and disposition of properties and structures acquired under CDBG-DR and CDBG-NDR.

B. Service/Delivery Impact:

City has been able to keep pace with necessary clearing of properties in preparation for flood control and mitigation projects while remaining within overall budget allocations for the CDBG-DR and CDBG-NDR allocations for acquisition and demolition.

C. Fiscal Impact:

None

**V. ALTERNATIVES**

N/A

**VI. TIME CONSTRAINTS**

N/A

**VII. LIST OF ATTACHMENTS**

- i.* Copy of CDM Smith recommendation letter
- ii.* Copy of contract cap reduction signed by contractor and CDM Smith