



City of La Quinta

MEMORANDUM

TO: Honorable Mayor and Members of the City Council

VIA: Frank J. Spevacek, City Manager

FROM: Timothy R. Jonasson, Public Works Director/City Engineer

DATE: February 18, 2014

SUBJECT: BUDGET ACCOUNTING FOR HIGHWAY 111 AND WASHINGTON STREET IMPROVEMENTS PROJECT

At the City Council meeting of February 4, 2014, the Highway 111 and Washington Street Improvements project was reported to be 30 percent over budget.

By way of clarification, although the construction costs were over the original construction budget by four percent, the project as a whole had 12 percent of the budget remaining at the end of the job due to cost savings on other aspects of the project.

In general, as part of preparing the Capital Improvement Program staff includes the following items on a percentage basis in the project budget:

Design: 10% of the project construction amount

Professional: 7.5% of the project construction amount

Construction
Engineering: 9.75% of the project construction amount

City
Administration: 5% of the project construction amount

Contingency: 10% to 20% of the total project cost including the above items

These percentages are averages from past projects and may be adjusted depending on the size and complexity of the project.

For the Highway 111 and Washington Street Improvements Project, the table below shows the approved budget amounts for various project tasks and the actual amount spent for each task. The overage in construction costs were covered by the project contingency.

BUDGET ITEM	APPROVED BUDGET	EXPENDITURES TO DATE	BALANCE
Design	\$ 85,000.00	\$ 85,000.00	.00
Professional	\$ 20,000.00	\$ 10,652.00	\$ 9,348.00
Construction	\$ 730,136.00	\$759,252.00	\$(29,116.00)
Construction Engineering	\$ 71,000.00	\$ 62,057.00	\$ 8,943.00
Administration ¹	\$ 18,700.00	\$ 15,454.30	\$ 3,245.70
Contingency	\$ 134,808.00	.00	\$134,808.00
Total Estimated Cost:	\$1,059,644.00	\$932,415.30	\$127,228.70

CVAG Share:	\$ 582,483.00	\$471,607.18	\$110,875.83
CLQ Share:	\$ 194,161.00	\$177,808.13	\$ 16,352.88
SLPP Share:	\$ 283,000.00	\$283,000.00	.00
Total Available Budget:	\$1,059,644.00	\$932,415.30	\$127,228.70

PERCENT BUDGET

REMAINING:

12%

1. *Neither the Coachella Valley Association of Governments (CVAG) nor the State-Local Partnership Program (SLPP) participates in local agency administrative costs; 100% of the City's administrative costs are included in the City of La Quinta (CLO) share.*