Memorandum

To: **Mayor and Council**

From: **Tom Baker, Town Administrator**

Date: **April 7, 2015**

Re: **Lakota Warranty Work: Warrior Request for the Town to Management of this Project**

Purpose: The purpose of this item is to conclude Council's discussion about whether or not to take over management of the Lakota Warranty Work project.

Background and Discussion: At Council's last meeting, Jeff Simonson and John Wenzel explained that if the town takes over management of this project, then project management costs will increase for the town because project bidding, scheduling and coordination was done by Warrior consultants in the past and will now be done by SGM. The following are points to consider:

1. The Town has a $250,000 letter of credit from Warrior.
2. The cost of the roadway work is estimated to be $207,000 (SGM estimate).
3. The cost of project management and inspections are expected to be less than $43,000.
4. The town will bid the project and that bid number will constitute the cost of the roadway work for purposes of an agreement (this will reduce the risk to the town of cost overruns).
5. Potential issues of liability can be discussed during the meeting and addressed in an agreement.

David McConaughy, Jeff Simonson and staff will be present at the meeting to answer questions for the Council.

Recommendation: The Town is entirely capable of undertaking this project. In many ways this can be viewed as just another capital project that the town undertakes if an agreement is in place that protects the town from financial and legal exposure. Staff has tried to determine the advantages to the town of taking over this project: will it stimulates quicker action on the clubhouse construction? We have confidence that the work will be done correctly if the town controls the project. If the Council desires to take over this project for Warrior golf, then staff suggests that the project come under the control of the Town Engineer for oversight and management. We ask this because the PW staff has committed to substantial project management duties associated with the Town in-kind match for the Streetscape Project. This was done as part of the GFMLD grant in order to get the most "bang for the buck" and complete as much streetscape work as possible.