

DECISION PAPER



April 16, 2020

ACTION:

The Board of Directors will consider moving forward with the Nature Loop Repair and Replacement project for summer/fall 2020 construction and award 2020 Nature Loop Trail Repair and Replacement construction contract(s), and/or delegating contract(s) award authority to senior staff.

BACKGROUND:

Built by Dart Industries almost 50 years ago, the Nature Loop Trail is the oldest original trail remaining in Tahoe Donner. Today, the easily accessible trail is one of Tahoe Donner's signature assets and one of our most popular trails. A unique 3-mile loop meandering along Trout Creek, the Nature Trail provides an unmatched experience of Tahoe Donner's natural diversity that appeals to all ages.

Tahoe Donner was forced to close the Nature Trail after damage caused by the heavy winter of 2016/17 rendered the boardwalk and bridge unsafe. For a more detailed project history and description, refer to the Information Packet: Nature Loop Project Summary.

Following preliminary planning and studies in 2017 and 2018, the Board approved soft costs for final design and permitting on April 27, 2019, with an estimated construction budget of \$75,000 from the Replacement Reserve Fund. From the 2019 approved soft costs budget, \$44,608 remain, which is expected to cover remaining mitigation, permitting fees and pre-construction surveys, as identified in the April 2019 decision paper.

This project has been in the planning phase for nearly three years, and all phases of project evaluation, including site surveys, design, and engineering are complete. Environmental permitting is complete pending final approval. Total project planning, environmental, and engineering soft costs spanning from 2017 to date for this project is \$131,261.61, with remaining estimated costs of \$44,608 (mitigation fees amount to be determined) for total soft costs of \$170,000 over the three-year period.

Environmental and Construction Permitting

Tahoe Donner Association follows the California Environmental Quality Act (CEQA) Guidelines for all capital projects. A CEQA mitigated negative declaration was completed and approved for the project on September 2016 with Nevada County and February 2017 with the Town of Truckee, the document will expire in 2021 and 2022 respectively. Oversight agency permitting for the project consists of the following:

- California Department of Fish and Wildlife (CDFW) – approved
- Lahontan Regional Water Quality Control Board (RWQCB) – status pending
- Army Corp of Engineers – status pending
- State Historic Preservation Organization (SHPO) – approved

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- Town of Truckee (TOT) building permit - status pending

Final Design & Construction Bidding

Since summer of 2017, staff has worked with environmental consultants, engineers, and California regulatory agencies to plan and engineer the Nature Loop Trail Improvement Project. Plans were developed for the removal and replacement of the bridge and boardwalk structures. The design incorporates specialized construction techniques in order to comply with permitting agency guidelines within the environmentally sensitive project area.

The engineer's estimate for the project was \$588,585. A request for proposal (RFP) soliciting bids for the bridge and boardwalk removal and construction was sent to eight (8) qualified contractors on February 2, 2020. Five (5) bids were received ranging in price from \$635,042 to \$857,916; see bid comparison in Project Information packet. The bids were reviewed and evaluated based on cost, completeness, qualifications, experience, and timeline.

The top three candidates were interviewed and asked for value engineering options and price reducing solutions. The apparent low bidder is management's preferred choice based on qualifications, depth of knowledge, ability to construct all aspects of the project in-house and cost. Based on contract negotiation and value engineering solutions, final contract price will be less than bid price by at least \$80,000. The project team will continue value engineering efforts post contract award to potentially further improve the design and reduce costs.

The costliest parts of the construction project include the bridge and elevated walkway. As reviewed with the board in April 2019, staff and consultants have reviewed all options to minimize costs and think outside the box for solutions, including elimination of the north side of the trail, value engineering the elevated boardwalk and bridge, realignment of both boardwalk and bridge, as well as not do any repair and replacement. Ultimately, the decision was made to pursue final design and construction keeping the north side of the loop, including boardwalk and bridge, with a focus to value engineer to absolute needs for land management operations and trail users. Management performed a similar analysis following receipt of the construction bids and continues to recommend the project as scoped.

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Construction Cost Breakdown

Proposed construction 2020 project costs breakdown are:

Nature Loop Construction Costs	
Construction Contract	Value based on contract award
TDA In-House Project Activities & Management	\$ 45,000.00
Construction Monitoring Services	\$ 10,030.40
Pre-Construction BioSurveys	\$ 7,500.00
Subtotal	TBD
% Contingency	Recommending 10% minimum for project
TOTAL	\$ 682,806.74
Reserve Replacement Funds Available	\$ 683,935.00

The **total construction costs** to complete the project is **\$682,807 inclusive of 10% contingency**.

Funding

The Nature Loop Construction project will be funded utilizing Replacement Reserve Fund components budgeted in 2020 and accelerating the 2021 replacement reserve components. Six (6) individual components currently within the Reserve Study provide total saved project budget funds of \$683,935.

RR Components For Nature Loop Repair Project		
Component	Replacement Year	Budgeted Cost
Trail - Nature Loop - Bridge Replacement	2020	\$152,942
Trail - Nature Loop - Construction	2020	\$285,491
Trail - Nature Loop - Elevated Walkway	2020	\$200,502
Trail Repair	2020	\$20,000
Trail - Nature Loop - Bridge Repair	2021	\$20,000
Trail - Nature Loop - Maintenance	2021	\$5,000
TOTAL		\$683,935

Options:

1. Nature Loop Construction Approval 2020

- a. Approve the Nature Loop Repair and Replacement project utilizing available Replacement Reserve Funds with a budget not to exceed \$683,935, inclusive of a 10% contingency with intent to construct summer/fall of 2020.

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- b. Consider awarding construction contract(s), and/or delegating contract(s) award authority to the Senior Transition Team (Annie Rosenfeld and Miguel Sloane) related to the 2020 Nature Loop Repair and Replacement project.

2. Postpone Construction to 2021 – Pros and cons are:

Pros:

- a. Gives opportunity for another grant cycle; however, we have been unsuccessful twice so odds are not in our favor.
- b. Shows temporary savings in RR funds during Covid-19 crisis.

Cons:

- a. Delays needed replacement and repair of Tahoe Donner assets, delaying restoration of forestry access and a highly used section of trail network.
- b. Forfeits the material savings resulting from the Covid-19 impact. We can negotiate these savings into final contract price with contracted construction company. Prices in 2021 unknown.
- c. We would need to rebid project. Unknown what 2021 brings; very likely that several trail projects will be delayed this season causing an compounding next year, increasing contractor demand and cost.
- d. A portion of the CEQA document expires in 2021. This gives Tahoe Donner no cushion for the project extending into 2022 without a permit extension. Permit extension fee unknown.
- e. Keeps the trail closed for two more summer seasons. Trail is closed from a risk management requirement. It has been a challenge to keep users out of the area regardless of signage and fencing. Trails are going to be highly valued and utilized during Covid-19. The sooner we can get this back open the better.
- f. Favorable low snow conditions onsite are a known quantity this year.

3. Permanently Close Most of the North Side of the Nature Loop

Future costs and impacts are unknown but may include:

- a. Permanently close and decommission the entire nature trail loop using trail crews. This action would require heavy signage and fencing to keep trail users from trespassing on private property in order to avoid wetland environments or impacting unimproved wetland environments. Estimated Cost \$100 – 150K, possibly more.
- b. Reduce the likelihood of maintaining access as a trail loop through existing wetland environments and minimize the opportunity to protect this legacy trail.
- c. Cause future disruption of trespassers on private property as they attempt to complete the existing loop. Major fencing may be required to protect private property adjacent to the wetland area, conflicting with Tahoe Donner covenant rules.
- d. May require costly mitigation to existing damaged wetland environments as required by California regulatory agencies. Mitigation cost estimates are unknown, but likely to exceed \$20,000.
- e. Risks future cleanup and abatement orders from Lahontan Regional Water Quality Control Board due to destruction of environmentally sensitive wetland habitat by

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unauthorized users. Cost unknown: however, comparable clean up and abatement cost for the Equestrian Center over the 10-year period in excess of \$300,000

RECOMMENDATION

Management recommends the board consider approving

Option 1: Nature Loop Repair and Replacement Construction Approval 2020

- a. Approve the Nature Loop Repair and Replacement project utilizing available Replacement Reserve Funds with a budget not to exceed \$683,935, inclusive of a 10% contingency with intent to construct summer/fall of 2020.
- b. Consider awarding construction contract(s), and/or delegating contract(s) award authority to the Senior Transition Team (Annie Rosenfeld and Miguel Sloane) related to the 2020 Nature Loop Repair and Replacement project.

Reviewed By: Jon Mitchell _____ **Date** _____
Reviewed By: Miguel Sloane _____ **Date** _____
Reviewed By: Annie Rosenfeld _____ **Date** _____
Board Meeting Dated: April 25, 2020 _____ **Date** _____