

projects which have been completed and also provides summary budget and expenditure information for all active Category 2 and 3 capital projects. If there is a project not reported in detail that Council members would like to be added to the detailed reporting list, staff can expand the list for the next quarterly report.

The full FY 2023 First Quarter Capital Projects Status Report posted on the City's website at <http://www.alexandriava.gov/Budget>. This report does not contain project status report information for Alexandria City Public Schools (ACPS) which prepares its own status report. Those reports are available on the ACPS website: <https://www.acps.k12.va.us/Page/2648>

DISCUSSION: Staff continues to monitor the impacts of recent cost and schedule trends on City capital infrastructure projects. The City is realizing increases in the costs for design and construction caused by material, service, and labor cost increases. Additionally, supply chain and material issues are causing unanticipated delays. Some examples include:

- A pedestrian bridge had a 40-week fabrication and delivery time versus the normal 16 weeks.
- Specialty products and playground equipment for parks are showing 12 to 20-week delay for production and delivery.
- Several technology hardware products are experiencing several months of delay for delivery.
- Junction boxes experienced a 68% cost increase in 15 months.
- Synthetic ball field projects reported a 30% increase in cost.
- Sewer infrastructure material estimates have increased 17% in a year.
- Hourly rates for engineering services are showing 8% to 10% increase in the past year.

These experiences are in line with those reported by the construction industry. Overall, the Construction Cost Index, as reported by Engineering News Record, has risen 5.6% between December 2021 and December 2022. The Materials Cost Index showed an 18.6% increase over the same time period. While the various materials seem to alternatively experience procurement issues, the pricing and availability of concrete has been a recent pressure point. Prices for concrete products were up 14.3% for the 12 months between November 2021 to 2022, according to the Producer Price Index from the U.S. Bureau of Labor Statistics. Additionally, the Producer Price Index shows an 18.3% increase for General Contractor services and a 5.1% increase for Architecture and Engineering related services.

Staff will continue to update project cost and schedule estimates based on the latest market research and intelligence. Some projects have required redesign, reductions in scope, or pauses to pursue additional funds. Project schedules are managed closely, with every effort to minimize delays and the impacts are communicated to the affected community.

FISCAL IMPACT: City Council's receipt of the FY 2023 First Quarter Capital Projects Status Report does not require any additional resources. The report will, however, be utilized in the development of the annual 10-year CIP and in determining the level of future bond issuance. Available project balances, implementation rate, and current and projected project status will be utilized to determine the appropriate level of investment in a project for the forthcoming fiscal year.

ATTACHMENT: FY 2023 First Quarter Capital Projects Status Report

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