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Don’t let the pandemic make the decisions

The future of the Coal Avenue Commons Construction Project was the subject of a special meeting for the Gallup City Council May 18.

The city reopened bids for the construction project award on May 12. The apparent low bid was just over $4,475,539, which includes the bid on a downtown walkway while a bid that does not include a downtown walkway was made for $3,393,618. The bidder in both cases was the Gallup-based firm Murphy Builders.

The project covers the reconstruction of Coal Avenue through downtown Gallup from Fourth Street to Second Street.

Public Works Director Stan Henderson presented three decisions to the city council. The first decision was to delay the project due to the impact of the COVID-19 pandemic.

The downside to this decision was any unobligated budget balances would be clawbacked by the State of New Mexico legislature, and project funding would be back to where it was at the start, Henderson said. On the other hand, downtown businesses would have time to recoup

losses before a major construction project causes more losses.

The other two decisions were to award the project to Murphy Builders for the stated costs, with budget increases between $1,227,000 and $2,363,000 to cover matches and project shortfalls.

Dist. 4 Councilor Fran Palochak wondered if the city would lose New Mexico MainStreet funds in addition to state funding if they were to delay the project.

“It all comes down to politics,” Henderson said. “Everything is on the table for the clawback, including the MainStreet funding.”

The one sure way to save the money is if the council awards the project to the bidders now, Henderson added. He also said the project has a construction time frame of one year, which would then start construction in July.

Palochak also expressed concern for the city’s general fund given the loss of revenue due to the ongoing pandemic, but was told the budget the council had approved last week should already cover the newly budgeted amounts.

“There’s no question we’re going to need cash to get us through this time, but we feel good about the amount we’re recommending to the city [to adjust],” City Manager Maryann Ustick said.

Palochak then said the council has to stay the course on the Coal Avenue Commons project and not let the pandemic make the decisions.

“We made these plans and worked so hard to get revenue streams in, and my concern lies in that if we don’t fund this project, we may never see another day we get any money from the state or another grant,” Palochak said.

Mayor Louis Bonaguidi agreed the city may not get any future funding if they table the project any longer.

The motion to move forward with the Coal Avenue Commons Construction Project with no bid alternative for $3,393,618 was approved with a 5-0 vote.

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