

## COUNCIL ACTION FORM

**SUBJECT: REPORT OF BIDS FOR CONSTRUCTION OF RESTROOM AT ADA HAYDEN HERITAGE PARK**

**BACKGROUND:**

Due to the popularity of Ada Hayden Heritage Park (AHHP) and the development of Charles Calhoun Memorial Park, located east of Dawes Drive adjacent the south end of AHHP, another permanent restroom facility at AHHP is included in the FY07/08 Capital Improvement Plan. A total of \$125,000 from the Parkland Acquisition and Development Fund was budgeted for this project.

Plans call for this facility to be located at the south side of the lake adjacent the hard surfaced pathway. Plans and Specifications were approved by City Council on February 26, 2008, with a bid due date of March 19, 2008. Bids were received as follows:

R.H. Grabau Construction, Inc.	\$123,955
Rocky Grillo Construction	\$138,738
Jensen Builders Ltd	\$155,205

The original budget and estimated costs for this project were as follows:

Engineering	\$ 27,200
Construction	\$ 92,820
Contingency (5%)	<u>\$ 4,980</u>
Total	\$125,000

The lowest bid exceeds the architect's estimate for construction and contingency by nearly \$26,000. Given this significant difference, it seems prudent to not award a contract at this time, but to request that Snyder and Associates provide a written response to the following two issues:

1. What factors led to the lowest bid exceeding the estimated budget by such a significant amount?
2. Evaluate if the plans and specifications can be modified to better assure that the restrooms can be constructed within the established funding.

### **ALTERNATIVES:**

1. Accept the report of bids and refer the project to staff for further analysis of the above two issues.
2. Reject the bids and delay this project until FY08/09.
3. Award a contract to R.H. Grabau Construction in the amount of \$123,955, funding the unbudgeted portion with an additional \$34,955 from the Parkland Acquisition and Development Fund.

### **CITY MANAGER'S RECOMMENDED ACTION:**

This restroom will provide an important amenity to Ada Hayden Heritage Park. However, the bids on this project came in significantly over the engineer's estimate. Before considering whether or not to award the contract, the project engineer should be directed to evaluate why the bids significantly exceeded their cost estimate and to determine if any modifications can be made to bring this project within the authorized budget.

Therefore, the City Manager recommends Alternative 1, whereby Council will accept the report of bids and refer the project to staff for further analysis. Staff anticipates that a recommendation to either award or reject bids for this project will be presented at the April 22 City Council meeting.