

COUNCIL ACTION FORM

SUBJECT: REPORT OF BIDS FOR CONSTRUCTING THE DONALD AND RUTH FURMAN AQUATIC CENTER

BACKGROUND:

In July 2007 the community of Ames approved a special bond issue in the amount of \$8,488,000 for construction of the Furman Aquatic Center. Donald and Ruth Furman donated \$2,000,000 for the Aquatic Center; \$1,000,000 of this donation may be used for construction. The other \$1,000,000 of their gift has been designated to establish an endowment to ensure that minimal operational tax subsidy will be needed annually and to address capital improvements at the facility in years to come.

The contract documents incorporate the general features included in the special bond issue informational brochure as follows:

- 50 meter / 8 lane multi-use pool
 - Diving Boards (1 and 3 meter)
 - 150' drop slide
 - Floatables
- Leisure Pool for children
 - Family and Toddler Slides
 - Play Structure with dumping bucket
 - Floatables
- Lazy River
 - Two 200' in length water slides
- Shade and turf areas
- Support facilities
 - Concession Stand
 - Locker Rooms
 - Parking lot for 250 vehicles
- Traffic Light on 13th Street

RDG Planning and Design (RDG) was hired to complete the construction documents, permitting, and cost estimates for this project.

The project went out for bids on February 26, 2008. Three bids were received on March 26th. Unfortunately, the low bid exceeded the construction budget by \$1,010,029 (Attachment A).

Upon opening the bids, staff requested that RDG respond to the following questions by April 18, 2007.

1. Assess why the low bid exceeded the estimated budget.
2. To bring the project into budget, what elements would have to be altered or eliminated?
3. If the project needs to be redesigned, what would be the revised timeline and related cost implications?

On April 1st, RDG called City staff to affirm that:

-Because of the closeness of the three bids, they don't appear to be out of line in terms of the work we are expecting,

-It appears that significant features would need to be eliminated or modified to achieve our project budget. To date, RDG has identified a total \$850,000 of possible cuts. (Attachment C). Examples of the features that could be *eliminated* included the drop slide in the deep end of the 50 meter pool (\$200,000), a slide in the lazy river (\$180,000), and the family slide in the leisure pool (\$58,000). Examples of features that could be *modified* included reducing the number of spray features in the zero-depth area (\$18,000), eliminating arch sprays in the Lazy River (\$8,000), and replacing selected planting areas with turf (\$20,000).

-Given the magnitude of the changes that would need to occur to bring this project into the identified budget, the "fun factor" for the facility would be substantially diminished and the project would need to be redesigned and bid again in the future. It is anticipated that a rebidding process could delay the opening of the facility until the summer of 2010.

As shown on Attachment B, the project budget included a contingency of \$220,000, or 2.8% of the \$7,900,000 construction budget. Given the fact that the bid totaled \$8,910,029, it is expected that the contingency fund will need to be increased. One viable way to accomplish this is to accept some, or all, of the deduct alternates. As an example, if all three deducts were accepted, the contingency account could be increased by \$124,046; raising the total to \$334,017, or to 3.7% (Attachment A).

Obviously, everyone associated with this project is concerned with the results of the bids. However, since the bid information became public, we have received tremendously good news that an anonymous donor is willing to commit an additional \$1,000,000 to make sure the Aquatic Center project is completed in accordance with our current plans and specifications. This generous individual believes that it will take approximately two weeks to accomplish this donation.

Given this incredible development, staff is confident that the project can proceed as originally designed and be awarded at the April 22, 2008, City Council meeting.

In addition to the three questions RDG is responding to as listed above, staff will now request RDG to address the pro and cons of accepting each of the deduct alternates and provide a recommendation related to what percentage of funding should be maintained in the contingency fund.

ALTERNATIVES:

1. Accept the report of bids.
 - a. RDG will evaluate the ramifications of accepting some, or all, of the deduct alternates to better ensure that an adequate contingency fund is established to award a \$8,910,029 contract.
 - b. Subject to the \$1,000,000 donation being received, direct staff to prepare a Council Action Form for the April 22, 2008, City Council meeting whereby a recommendation would be forthcoming to award a contract.
2. Reject the bids and direct the City staff to modify the plans and specifications to bring the project costs in line with the original budget totals. This option would reject the generous offer from our anonymous donor and delay the opening of the facility since the project would need to be redesigned and rebid.

MANAGER'S RECOMMENDED ACTION:

In addition to the unprecedented gift from Donald and Ruth Furman, another outstanding Ames resident has found this project worthy and has generously committed \$1,000,000 to complete the facility as originally planned. Staff anticipates that this donation will be received in the near future.

An alternative to accepting this donation, and thereby increasing the project revenues, would be to attempt to reduce the project costs by modifying the original plans and specifications. However, preliminary feedback from our project engineer, RDG, indicates that:

- 1) Until the bids are either accepted or rejected, RDG will not be able to determine from the three companies why their bids exceeded the project estimates by so much.
- 2) Given the magnitude of the cuts that are required to bring the project budget in line with our project estimates, the quality of the facility promised our citizens would be compromised,
- 3) Any modifications made to the plans and specifications in an effort to reduce the project costs will result in a delay in opening the facility and subject the project to the possibility of additional costs if rebid at a later date.

4) Because of the closeness of the submitted proposals, we seem to have received a "good bid" from the low bidder."

Therefore, rather than opt to reduce the project costs by modifying the current plans and specifications for the new Donald and Ruth Furman Aquatic Center, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 with the ultimate goal of awarding the project based on the current plans and specifications. Since the receipt of this additional \$1,000,000 donation is not expected until our April 22, 2008, Council meeting, the recommended action at this time is to accept the report of the bids.

In the interim, RDG will be asked to evaluate the ramifications of accepting some, or all, of the deduct alternates to better ensure that the contingency fund is adequate to award an approximate \$8,910,029 contract. In addition, subject to the receipt of the \$1,000,000 donation, the City staff will prepare a recommendation for the April 22, 2008, Council meeting to award a contract.

ATTACHMENT A**BID SUMMATION**

Contractor	Base Bid	Deduct Alternates	Add Alternates
Sande Construction Humboldt, IA	\$8,910,029	1 = (\$72,121) 2 = (\$38,725) 3 = (\$13,200)	4a = \$307,902 4b = \$ 95,625 5 = \$ 57,100
Rochon Corporation Urbandale, IA	\$9,197,029	1 = (\$ 6,000) 2 = (\$13,000) 3 = (\$13,200)	4a = \$309,000 4b = \$101,000 5 = \$ 95,000
Henkel Construction Mason City, IA	\$9,362,000	1 = (\$123,000) 2 = (\$ 8,800) 3 = (\$ 13,300)	4a = \$297,000 4b = \$100,000 5 = \$ 82,500

Deducts:

1. Asphalt versus Concrete Parking Lot
2. Irrigation System for Turf / Planting Areas on Pool Deck
3. Decorative Fencing at Entry and Lazy River

Adds:

- 4a. Tower with one speed slide
- 4b. Additional speed slide
5. Ultraviolet disinfection system in the 50 meter pool and lazy river

ATTACHMENT B

FINANCIAL SUMMARY ESTIMATED PROJECT COSTS AND FUNDING SOURCES

	ADOPTED	REVISED
Funding Sources	\$9,648,000	\$10,648,000
G.O. Bonds	\$8,488,000	\$ 8,488,000
Furman gift	\$1,000,000	\$ 1,000,000
Sales Tax Refund (conservative estimate)	\$ 100,000	\$ 100,000
Interest on \$1m gift (conservative estimate)	\$ 60,000	\$ 60,000
Anonymous gift	\$ 0	\$ 1,000,000
 Expenditures	 \$9,648,000	 \$10,648,000
RDG (Engineering)	\$ 718,000	\$ 718,000
ISU (FP&M)	\$ 100,000	\$ 100,000
Site Preparation/Earthwork	\$ 475,000	\$ 475,000
Construction of Facilities (estimate)	\$7,900,000	\$ 8,910,029
Owner: Equipment Allowance	\$ 150,000	\$ 150,000
Owner: Materials Testing	\$ 25,000	\$ 25,000
Owner: Floodway Management	\$ 60,000	\$ 60,000
Contingency	\$ 220,000 (2.8%)	\$ * 209,971 (2.3%)

*As noted previously, the adopted budget includes a contingency of \$220,000, or 2.8% of the \$7,900,000 construction budget. Given the bid totals \$8,910,029, this amount should be increased. One viable way to accomplish this is to accept some, or all of the deduct alternates. As an example, if all three deducts were accepted the contingency account could be increased by \$124,046; raising the total to \$334,017, or to 3.7%.

RDG will be asked to address this issue and to make a recommendation related to the appropriate percentage of funding the contingency account should maintain.



City of Ames Outdoor Aquatic Center RDG#20247.07

1-Apr-08

Estimate of Potential Value Engineering Items**POOL ITEMS**

ITEM	EST. COST
<u>1st Tier Items</u>	
Install 3 Meter stand, in lieu of diving tower	\$ 15,000.00
Reduce number of sprays in zero-depth from 24 to 15 (3 rows of 5)	\$ 18,000.00
Eliminate arch sprays in Lazy River	\$ 8,000.00
Change brand of recirculation and features pumps	\$ 10,000.00
Eliminate UV system for shallow rec pool- add later	\$ 10,000.00
Change pipe material for smaller branch pipes (looking at further)	unknown
<u>2nd Tier Items</u>	
Reduce length of 32" Drop Water Slide - by 50'	\$ 30,000.00
Reduce lengths of 54" Slides simultaneously - by 50'	\$ 70,000.00
Reduce size of play structure in rec. pool	\$ 30,000.00
<u>Omission of Features- Add as Future</u>	
Eliminate 32" Drop Water Slide - add as future?	\$ 200,000.00
Eliminate 54" Enclosed Water Slide - add as future?	\$ 180,000.00
Eliminate 84" Family Slide - add as future?	\$ 58,000.00

SUBTOTAL - POOL ITEMS \$ 629,000.00

LANDSCAPE ITEMS

Replace selected planting areas with turf.	\$ 20,000.00
Change from rock mulch to hardwood mulch.	\$ 5,000.00
*Reduce scope of east lawn/hillside.	\$ 50,000.00
*Simplify trash enclosure to cedar fence and gate.	\$ 5,000.00
Remove 150 LF of pipe rail at west side of entry walk.	\$ 5,000.00
Reduce number of cantilevered 20'x20' shade structures by 3 (assuming \$8,000 each).	\$ 24,000.00
*Reduce size of dining area.	unknown

SUBTOTAL - LANDSCAPE ITEMS \$ 109,000.00

ARCHITECTURAL ITEMS

*Revise roof to two-way pitch with gable ends.	\$ 35,000.00
*Eliminate stone veneer. Replace with rock face CMU.	\$ 15,000.00
*Replace louvers with premanufactured units.	\$ 5,000.00

SUBTOTAL - ARCHITECTURAL ITEMS \$ 55,000.00

ELECTRICAL ITEMS

Reduce bath house and change area light fixtures to "industrial" grade in lieu of vandal resistant.	\$ 4,000.00
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SUBTOTAL - ELECTRICAL ITEMS \$ 4,000.00

MECHANICAL ITEMS

*Eliminate Louvers at all locations except at exhaust fans. (Provides mechanical ventilation only.)	\$ 20,000.00
Replace instantaneous water heaters with tank type heaters.	\$ 4,000.00

SUBTOTAL - MECHANICAL ITEMS \$ 24,000.00

TOTAL POTENTIAL SAVINGS \$ 821,000.00

* Substantial redesign/redraw necessary. Additional fees are likely associated.