

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF REVISED PLANS AND SPECIFICATIONS FOR RENOVATION OF CITY HALL

BACKGROUND:

On Tuesday, July 10, 2012, bids for the City Hall renovation project were reported to Council. Bids were rejected because the bids were significantly over available funding for this project. The apparent low bid was almost \$540,000, or 54%, over the architect's final cost opinion for the construction phase of the project.

Staff was directed to work with the architect to rebid the project as quickly as possible. Staff was also directed to divide the project into separate, smaller, but logical areas that could be bid separately, as a deduct from the base bid to provide the City an opportunity to select the areas of the project that could be done within the funding limits and time frame. Whichever project is awarded must be done within available funding limits and the mandated time frame that accompanies the \$600,000 Homeland Security grant for a new Emergency Operations Center (EOC).

The project plans and specifications are as follows:

1. **Base Bid:** This includes all the areas in the original project; the renovation of the Police Department EOC, dispatch, evidence storage, armory, and locker rooms; the Police Administration office suite, installing a make-up air system, and renovating the Engineering, Print Shop, and IT areas in the basement, making room for the main group of IT to move into city hall.
2. **Bid Alternates:** These include the following items:
 - a. Delete renovations in the police men's locker room
 - b. Delete the renovations in the Police Administration office suite
 - c. Delete the renovations in the basement areas, leaving the main group of IT in rented space outside of city hall.

Original cost estimates for this project are as follows:

Design	\$ 115,000
Construction Advisory (ISU)	\$ 30,000
Construction	\$ 1,003,835 (Architect's original cost estimate)
Construction contingency	\$ 80,307 (8%)
Equipment – not in contract	<u>\$ 110,354</u>
Total	\$ 1,339,496 *

* The architect has requested up to \$3,500 additional for printing expenses for re-bidding this project.

Funding sources are as follows:

General Fund	\$ 145,000 for design/advisory service
	\$ 655,000 for construction & contingency
Homeland Security Grant	\$ 551,000 for construction & contingency
	\$ 49,000 for police equipment
Department of Justice	\$ <u>61,354</u> for police equipment
Total	\$ 1,461,354

ALTERNATIVES:

1. Approve the revised plans and specifications and issue a Notice to Bidders, setting August 2, 2012, as the bid due date and August 7, 2012, as the date for public hearing and award.
2. Do not approve specifications or proceed with this project at this time.

MANAGER'S RECOMMENDED ACTION:

Extensive efforts have been put into this project by staff from Fleet Services/Facilities, Police, Public Works, Finance, and the City Managers Office. Construction advisory services have been arranged from ISU's Facilities Planning & Management (FP&M) Department to help manage quality control for this project. All City staff being affected by and benefiting from this project was involved in reviewing the spaces and identifying the features and options required to perform the services they are responsible for.

No single factor explains why the original bids were so far over budget. However, dividing the project up into smaller segments and using bid deducts appears to be the best way to move forward with this project at this time, placing the highest priority on utilizing the \$600,000 EOC grant that must be expended by May 2013.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the plans and specifications and issuing a Notice to Bidders for this revised renovation project.