

COUNCIL ACTION FORM

SUBJECT: APPROVAL OF SPECIFICATIONS AND NOTICE TO BIDDERS FOR CONSTRUCTION OF NEW WATER PLANT – CONTRACT 2

On October 13, 2009, Council approved a professional services agreement with FOX Engineering of Ames for work related to the new Water Treatment Plant. The contract consists of a “master agreement” that contains all of the legal terms and conditions, and a series of “task orders” that describe the specific scope of work and associated fees. A task order to design the new water plant was approved on August 28, 2012.

Construction of the new Water Plant will be performed under two separate construction contracts. Contract 1 includes the interconnecting piping between the old and new treatment plant locations, and Contract 2 includes construction of the actual treatment facilities. Contract 1 will be bid later in the fall of 2014.

The engineer’s Opinion of Probable Construction Cost (OPCC) for Contract 2 is \$55,564,000. The OPCC was prepared in general conformance with what the consultants describe as a “Class I” cost opinion, their highest level of cost estimating effort. Cost opinions prepared to this level generally have an expected accuracy range of -5% to +10%, depending upon many factors outside the control of the engineer, such as the bidding climate. As of August 4, inquiries by the consults had not revealed any other projects of this magnitude bidding in the Midwest in late September.

The project schedule and budget for this overall project, as shown in the 2014-2019 CIP, is as follows:

FY 2008/09	\$774,000	Alternative analysis and pre-design
FY 2009/10 – 2013/14	\$875,000	Land acquisition and easements
FY 2012/13 – 2016/17	\$8,770,000	Final design and construction inspection
FY 2013/14 – 2016/17	\$62,828,000	Construction phase
FY 2013/14 – 2016/17	\$1,240,000	LEED registration and commissioning, permits, special inspections, equipment allowance
Total	\$74,487,000	

Engineer’s Opinion of Probable Construction Costs (OPCC)

Contract 1 (Pipeline) Construction	\$ 5,266,000
Contract 2 (Treatment Plant) Construction	55,564,000
<u>Change Order Allowance</u>	<u>1,216,000</u>
Engineer’s OPCC	\$ 62,046,000

Engineering	\$ 10,485,000
Land, Easements, Appraisals	982,000
Lime Sludge Disposal	1,570,000
Furniture / Technology Allowance	175,000
IDNR Permits, LEED Registration	26,000
Non-construction Costs	\$ 13,238,000
 Total Project Cost Estimate	 \$ 75,284,000

Funding for the project will be through a low-interest loan from the Drinking Water State Revolving Fund, with repayment of the loan coming from the Water Fund. The project also has been awarded a loan forgiveness of approximately \$6,224,000 for constructing the facility to a LEED certified standard.

ALTERNATIVES:

1. Give preliminary approval to the plans and specifications and issue a Notice to Bidders for Water Treatment Plant – Contract 2; setting September 24, 2014, as the bid due date and October 14, 2014, as the date of public hearing and award of contract.
2. Do not approve the plans and specifications at this time. Delaying could jeopardize the balance of the calendar 2014 construction season, and could result in additional inflationary cost increases.

MANAGER’S RECOMMENDED ACTION:

Expansion of the treatment capacity of the City’s Water Plant first appeared in the 2007-2012 Capital Improvements Plan. This is a project that is exceptionally important for the long-term vitality of the Ames community, both in terms of increasing the capability of the utility to meet growing demands as well as to improve the redundancy and reliability of the treatment process.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving specifications and issuing a Notice to Bidders for Water Treatment Plant – Contract 2; setting September 24, 2014, as the bid due date and October 14, 2014, as the date of public hearing and award of contract.