

**COUNCIL ACTION FORM**

**SUBJECT: CITY HALL RENOVATION PHASE 2 PROJECT CONTRACT AWARD**

**BACKGROUND:**

In 2011, the City began a project to renovate portions of the first floor and basement of City Hall. After two failed attempts at bidding the project, it was recognized that the project could not be completed as originally designed. As a result, the City went through a significant amount of project restructuring, which primarily consisted of dividing it into two phases. Phase 1 involved remodeling the majority of the space occupied by the Police Department on the first floor. Phase 1 was successfully completed in November 2013.

After the completion of Phase 1, Walker Coen Lorentzen Architects of Des Moines, Iowa were hired to design and prepare plans and specifications for the construction of Phase 2 of the City Hall Renovation. Phase 2 provides for improvements to the basement of City Hall and completion of the renovations on the first floor. The departments and divisions directly affected by Phase 2 are the Police, Public Works Engineering, and Finance (Information Technology and Print Shop).

Budgeted funds available for the City Hall Renovation Phase 2 project and current cost estimates are shown in the tables below. Estimated costs were slightly higher than the budgeted amount. The primary source of funding for this project is unobligated carryover funding from the General Fund.

<b>Budgeted Funds</b>	
Carryover from Phase 1 Project	\$1,078,591
Carryover from Space Needs Project	<u>\$ 25,000</u>
	\$1,103,591

<b>Estimated Expenses</b>	
Construction Estimate	\$894,000
Alternate #1 – Additional Carpet	\$ 11,600
Construction Contingency	\$ 67,000
Architectural Fees	\$ 91,000
Construction Observation from ISU	\$ 15,000
Furniture	\$ 25,000
Misc. costs	<u>\$ 2,000</u>
	\$1,105,600

Bid documents were distributed to 46 prospective bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing website, and a legal notice was published in the Ames Tribune. The bid was also sent to eight plan rooms.

On August 27, 2014, seven bids were received as shown below:

<b>Contractor</b>	<b>Base Bid</b>	<b>Alternate #1</b>
HPC, LLC, Ames, IA	\$820,000	\$ 9,900
Henkel Construction Co, Mason City, IA	\$930,360	\$10,000
RH Grabau Construction, Inc, Boone, IA	\$930,969	\$ 7,900
Ball Team, LLC, Urbandale, IA	\$947,000	\$10,155
Breiholz Construction Co, Des Moines, IA	\$948,000	\$ 9,700
Bergstrom Construction, Des Moines, IA	\$984,000	\$10,000
Rochon Corporation of Iowa, Urbandale, IA	\$988,000	\$ 8,900

**Staff and the consulting architectural firm, Walker Coen Lorentzen Architects, have concluded that the apparent low bid submitted by HPC, LLC of Ames is the lowest responsive, responsible bid. All other cost components of the project are expected to be within the budgeted amounts, and with the construction portion under budget, the project can proceed within the current approved budget.**

The project includes an add alternate to replace the carpet in the public corridors on the remainder of the first floor. This will provide a consistency to the main floor of City Hall and replace carpet in our most heavily traveled areas. This alternate was not part of the Phase 2 plans, but was bid together to consolidate the work. Since the base bid came in under the architect’s estimate, it is now possible to complete this work using the same funding source.

Extensive efforts have been put into this project by staff from Facilities, Police, Finance, Public Works and the City Manager’s Office, along with construction advisory services from ISU Facilities Planning & Management (FP&M) to create these new spaces. All City staff members directly affected by this project were involved in reviewing the spaces and identifying the features and options required to perform their respective services.

The construction is expected to last from October 1, 2014 to July 31, 2015. During that time, staff will relocate to other spaces in City Hall, at the Public Works Maintenance Facility, and in the Fifth Street location after IT moves into the renovated basement.

**ALTERNATIVES:**

1. Award the City Hall Renovation Phase 2 construction contract to HPC, LLC, Ames, IA, in the amount of \$820,000 for the base bid and \$9,900 for add alternate #1.

2. Reject all bids and direct staff to modify the project.

**MANAGER'S RECOMMENDED ACTION:**

This project will improve the basement in City Hall and complete the Police Department renovations on the first floor, thereby better utilizing the existing space in City Hall. This will include moving the Information Technology staff to City Hall prior to the expiration of its current office lease in September, 2015. These highly competitive bids were solicited through the combined efforts of City staff, Walker Coen Lorentzen Architects, and a large number of private contractors.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby awarding the City Hall Renovation Phase 2 construction contract to HPC, LLC, Ames, IA in the amount of \$820,000 for the base bid and \$9,900 for add alternate #1.