

COUNCIL ACTION FORM

SUBJECT: IOWA STATE UNIVERSITY RESEARCH PARK PHASE III –
WATER MAIN AND SANITARY SEWER CONSTRUCTION

BACKGROUND:

In support of the ISU Research Park Phase III expansion, the City hired the Shive-Hattery engineering firm to design needed utility and roadway improvements. The roadway improvements will primarily be funded by a Revitalizing Iowa's Sound Economy (RISE) Grant, as approved by City Council on October 14, 2014. A tax increment financing (TIF) district has been created to finance the 20% RISE matching funds for the roadway, as well as for all of the utility infrastructure costs.

Shive-Hattery completed plans and specifications for the utility infrastructure project; and on April 22, 2015, bids for the water main and sanitary sewer portions of this project were received as follows:

<i>Bidder</i>	<i>Bid Amount</i>
Engineer's Estimate	\$956,140
J&K Contracting	\$798,589
Keller Excavating	\$816,247
H&W Contracting	\$892,181
Synergy Contracting	\$1,062,483.80

The project funding and estimated construction expenses are shown below:

	<u>Funding</u>	<u>Expenses</u>
TIF Abated GO Bonds (utility portion)	\$ 1,528,200	
Water Main		\$ 355,123
Sanitary Sewer		\$ 385,391
Engineering/Administration		\$ 158,200
Total	\$ 1,528,200	\$ 956,789

It should be noted that the cost estimates for this utility work utilized in the Capital Improvements Plan included \$890,000 for water mains, \$480,000 for sewer mains, and \$158,200 for engineering/administration for a total estimated cost of \$1,528,000. The low bid is significantly lower than those amounts. Any unused TIF Abated General

Obligation Bonds from the utilities portion of the project will be utilized to help cover the local share of the roadway construction costs. Estimates for the roadway costs have increased from the original conceptual roadway cost estimates used in the CIP.

ALTERNATIVES:

1. a. Accept the report of bids for the Iowa State University Research Park Phase III – Water Main and Sanitary Sewer.

b. Approve final plans and specifications for this project.

c. Award the Iowa State University Research Park Phase III – Water Main and Sanitary Sewer to J&K Contracting of Ames, Iowa, in the amount of \$798,589.
2. Do not proceed with this project at this time.

MANAGER'S RECOMMENDED ACTION:

This project is very time sensitive. The water main needs to be installed before construction of the Research Park's Hub Building can progress out of the ground. By awarding this project now, it will be possible to install the utility infrastructure in coordination with the Hub Building construction and to have the utilities installed ahead of the upcoming roadway construction bid package.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.