

COUNCIL ACTION FORM

SUBJECT: 2015/16 WATER SYSTEM IMPROVEMENTS PROGRAM #2 – WATER MAIN REPLACEMENT (SOUTH DUFF AVENUE)

BACKGROUND:

The City’s Water System Improvements Program provides for replacing water mains across the City. **The location for water main replacement with this specific project is South Duff Avenue from South 5th Street to Lincoln Way.** This location was selected to eliminate the existing 4” water main with intentions to upsize the main, thus meeting system capacity, fire protection and reliability needs for the water main in this location. Water services will be transferred from the existing main to the proposed main and the 4” main will be abandoned. This will eliminate the frequent maintenance repairs and breaks experienced on the existing water main, which has exceeded its operational life expectancy and capacity.

On October 5, 2016, bids for the project were received as follows:

<i>Bidder</i>	<i>Bid Amount</i>
Engineer’s estimate	\$374,467.00
Synergy Contracting LLC	\$486,750.20
J&K Contracting LLC	\$528,867.50
Ames Trenching	\$646,787.50
Keller Excavating, Inc.	\$859,218.00

The 2015/16 Water System Improvements program includes funding and expenses as shown in the following table:

<i>Program Funding Summary</i>	Location				
	Program #1 (Country Club Blvd)	Program #2 (S Duff Ave)	15/16 Asphalt St Pvmt Imprv (Wellons Dr)	15/16 Concrete Pvmt Imprv (N 2nd St)	
2015/16 Water System Improvements Program					
Water Utility Fund - Total Funding	\$ 975,000				
Total Obligated Funding	\$ 975,000	\$ 211,000	\$ 489,400	\$ 186,600	\$ 88,000
<i>Program Expense Summary</i>					
Engineering (estimated)	\$ 126,406.80	\$ 29,060.40	\$ 73,012.53	\$ 24,333.87	\$ -
Construction (estimated)	\$ 930,662.00	\$ 193,736.00	\$ 486,750.20	\$ 162,225.80	\$ 87,950.00
Totals	\$ 1,057,068.80	\$ 222,796.40	\$ 559,762.73	\$ 186,559.67	\$ 87,950.00

As shown in the table above, program funding is exceeded if this project is awarded. Staff has reviewed bids and has determined that the reasons for the higher bid costs

relate to existing site conditions with limited right-of-way to complete the work within a single lane closure (restrictions required by the Iowa Department of Transportation), as well as the installation of a casing/carrier pipe combination as required per Iowa DOT standards.

Some of the areas shown above differ from what is shown in the approved 2015/16 CIP. The locations were reprioritized based on the need to coordinate the water main and water service transfer projects with planned street projects to minimize the impact to residents with multiple projects in multiple years.

ALTERNATIVES:

1. a. Accept the report of bids for the 2015/16 Water System Improvements Program #2 (South Duff Ave).

b. Reject award and direct staff to delay the project for a future bid letting.
2. a. Accept the report of bids for the 2015/16 Water System Improvements Program #2 (South Duff Ave).

b. Approve the final plans and specifications for this project.

c. Award the 2015/16 Water System Improvements Program #2 (South Duff Ave) to Synergy Contracting LLC of Bondurant, Iowa, in the amount of \$486,750.20.

MANAGER'S RECOMMENDED ACTION:

Because there are insufficient funds to cover the lowest bid received, it is not recommended that a bid be awarded for this project. Delaying this project until a later time and directing these project funds towards other top priority locations will result in a higher rate of return on the City's investment and accomplish more water main improvements than this location. Conditions of this main will continue to be monitored and prioritized into the budget at a future date.

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