

COUNCIL ACTION FORM**SUBJECT:** 2017/18 SOUTH DUFF AVENUE IMPROVEMENTS**BACKGROUND:**

On June 12, 2018, City Council approved the following Report of Bids for this project and delayed the decision on awarding a contract.

<i>Bidder</i>	<i>Bid Amount</i>
Engineer's estimate	\$1,826,387.25
Con-Struct, Inc.	\$2,374,992.00
Iowa Civil Contracting, Inc.	\$2,565,330.82

The table below is a budget summary for the project, reflecting the low bid.

	<u>Revenue</u>	<u>Expenses</u>
G.O. Bonds	\$ 576,000	
State Grants / Funds	\$ 1,400,000	
17/18 Accessibility Enhancement Program	\$ 125,000	
Unobligated G.O. Bonds	\$ 100,000	
Construction (Low-Bid)		\$ 2,374,992.00
Engineering and Administration (Estimated)		\$ 335,000.00
	<u>\$ 2,201,000</u>	<u>\$ 2,709,992.00</u>

Since that City Council meeting staff, has coordinated with Iowa DOT staff and the project design consultant to analyze if sufficient potential savings could be identified in order to proceed with contract award. Through that coordination, it has been determined that the best way to find project savings is to redesign the project for a bid letting later this fall (2018).

This strategy will result in the completion of the road improvements being delayed approximately nine months until the summer of 2019. The Developer of Brick Towne would prefer that the City Council identify additional funding now and move ahead with the completion of these improvements immediately.

ALTERNATIVES:

1. Do not award a contract for this project, but authorize staff to redesign the project and rebid it in the fall of 2018.
- 2 a. Approve an increase to the budget and final plans and specifications for this project.
- b. Award the 2017/18 S. Duff Avenue Improvements project to Con-Struct, Inc. of Ames, Iowa, in the amount of \$2,374,992.

This option will require the City Council to authorize additional funding from available fund balances.

3. Do not proceed with this project.

MANAGER'S RECOMMENDED ACTION:

Staff would prefer to work with the design consultant to identify cost savings and rebid the project in fall for early 2019 construction. Because the bids are so far above the project budget, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.