

ITEM#: 18
DATE: 05-11-21

COUNCIL ACTION FORM

**SUBJECT: PRAIRIE VIEW INDUSTRIAL CENTER UTILITY EXTENSION PROJECT
(EAST INDUSTRIAL AREA UTILITIES)**

BACKGROUND:

The East Industrial Area Utility Extension Project consists of the extension of water and sanitary sewer mains to the recently annexed area east of Interstate 35 (I-35). Water main and a gravity sewer main will be installed between I-35 and Potter Ave (formerly 590th), a force sewer main will be installed from Teller Ave (formerly 580th) to west of Freil Drive, and a sewer lift station will be constructed. Most of this new area to be served by City utilities east of I-35 has been certified by the Iowa Economic Development Authority as the Prairie View Industrial Center.

This project was previously bid in spring 2020. Due to very high bid costs (\$7,098,946.00, exceeding the available budget), on April 28, 2020, City Council rejected bids for construction of these improvements. Staff was directed to contract with Stanley Consultants Inc., to create revised plans and specifications for extending these utilities.

City staff, in partnership with Ames Chamber of Commerce & Economic Development staff, applied for a federal economic development grant toward this project. **The grant has now been successfully announced in the amount of \$1,500,000 from Department of Commerce Economic Development Administration (EDA).** City Council approved the grant award on April 27, 2021.

Stanley Consultants has prepared updated plans and specifications, meeting EDA requirements, with a **Base Bid (EDA grant funding eligible)** to include all sanitary sewer force main, lift station plus gravity sewer and water main to Teller Avenue (580th) and an **"Add Alternate"** to extend water and sanitary sewer to Potter Avenue (590th). The Base Bid has an estimated cost of \$5,247,855 and the Add Alternate has an estimated cost of \$1,242,625, for a total estimated construction of \$6,490,480. **The plan revisions/updates made by Stanley include creating a base bid with add alternate package, adding existing pavement information for contractors' information, adding temporary construction areas, and providing for a longer project completion timeframe (substantial completion by May 13, 2022 and final completion by June 30, 2022).** Engineering and administration to complete the project are estimated in the amount of \$225,000, bringing total projected costs to \$6,715,480.

Funding for this project is available from \$4,300,000 in G.O. Bond revenue included in the Capital Improvements Plan, \$1,500,000 from the EDA grant, and, at least, \$624,000 from unobligated G.O. Bond revenue savings from previously completed projects resulting in total available funding of \$6,424,000, enough to cover the projected costs of the base bid and engineering.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the Prairie View Industrial Center Utility project and establish June 2, 2021, as the date of letting and June 8, 2021, as the date for report of bids.
2. Do not approve this project.

MANAGER'S RECOMMENDED ACTION:

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