

ITEM #: 34  
DATE: 03-14-23  
DEPT: P&H

**COUNCIL ACTION FORM**

**SUBJECT: AWARD CONTRACT FOR ACPC INFANT ROOM REMODEL IN CONNECTION WITH CARES ROUND 2 (COVID-19) FUNDING**

**BACKGROUND:**

In May 2020, the City received a second round of CARES (CDBG-CV) from the Iowa Economic Development Authority (IEDA) in the amount of \$604,386. The funds are being used to assist MICA with the purchase of a van to deliver groceries and other supplies to low-income clientele; to assist University Childcare Center (UCC) with the purchase of outdoor playground equipment and a freezer; and to assist Ames Community Preschool Center (ACPC) with the remodeling of an existing room into infant daycare space and the purchase of furniture (cribs) and storage units.

Since the CARES funding has been directed to the City, the design and construction of the project must follow City Purchasing Policies, along with the applicable federal requirements for the use of the funds. Therefore, the construction contract for this project will be between the City and the construction firm rather than between ACPC and the construction firm.

City staff has been working with ACPC and ACPC's architect, Avec Design+Build, to prepare the plans and specifications for the infant room remodeling. Some of the major items to be remodeled included demolition, installation of windows, doors, flooring, painting, kitchen cabinets, sink, countertops, and lighting.

On February 17, 2023, an Invitation to Bid (ITB) document was posted to AmesBids, the electronic bidding site. A total of 15 potential bidders viewed the project. Because the CARES funding comes with drawdown deadlines, bidders were asked to provide a timeframe for completion of the work.

On March 7, 2023, bids were received as follows:

| <b>Bidder</b>                | <b>Base Bid</b> | <b>Project Completion Date</b> |
|------------------------------|-----------------|--------------------------------|
| Bergstrom Construction, Inc. | \$91,568        | September 29, 2023             |
| GTC Construction, LLC        | \$94,600        | Approximately June 1, 2023     |

Invitations to Bid are to be awarded to the lowest responsible bidder. **However, the City's grant agreement with IEDA states that 80% of the grant award of \$604,386 (approximately \$483,508) must be spent and drawn from IEDA's system by May 31, 2023.** Bergstrom Construction, Inc. indicated its proposed start date would be August 14,

2023, with a completion date of September 29, 2023. GTC Construction, LLC indicated a start date of mid-April and a completion date approximately June 1, 2023 due to a 14-week delay in receiving wooden doors. In further discussions with GTC Construction, LLC, this completion timeframe could be adjusted to May 26 if unfinished doors are ordered. This will require a change order to the project.

**With that information, staff believes that the project can be completed before the state's deadline with an award to GTC Construction, LLC. In this instance, the requirement to complete the project prior to May 31 and draw the funding from the IEDA system supersedes the approximately 3% cost differential compared to the lower bidder.**

**ALTERNATIVES:**

1. Award a contract to GTC Construction, LLC, for the ACPC Infant Room Remodel in connection with the City's round 2 CARES (COVID-19) Grant through the Iowa Economic Development Authority, in the amount not to exceed \$94,600.
2. Award the contract to the other bidder.
3. Do not approve this project.

**CITY MANAGER'S RECOMMENDED ACTION:**

By awarding this bid to GTC Construction, LLC, ACPC will have the remodeled space necessary to provide much-needed infant daycare for the community, therefore fulfilling needs of the grant. In addition, this contractor will be able to complete the project within the timeframe required to draw the grant funding. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.