

**COUNCIL ACTION FORM**

**SUBJECT: SOUTH DUFF AREA STORM SEWER RECONSTRUCTION**

**BACKGROUND:**

This project is for storm sewer installation and reconstruction from the South 2<sup>nd</sup> Street/Duff Avenue area to the Lincoln Way/Kellogg Avenue area. It will alleviate drainage problems that exist in the area west of South Duff Avenue and north of South 3<sup>rd</sup> Street. This work will also help to alleviate localized flooding at South 3<sup>rd</sup> Street and South Duff Avenue, which occurs approximately every three years due to inadequately sized storm sewers.

This project is part of a larger project that included construction of storm sewer along South Borne Avenue extending to Squaw Creek, west along South 3<sup>rd</sup> Street to Sumner Avenue, north to South 2<sup>nd</sup> Street, and west to Kellogg Avenue. The new construction will eliminate storm sewers that cross private property under existing buildings and houses.

This project also includes four blocks of water main installation and service transfers on Kellogg Avenue and Sherman Street. Street reconstruction on South 2<sup>nd</sup> Street from Sherman Avenue to Kellogg Avenue and Kellogg Avenue from South 2<sup>nd</sup> Street to the alley to the north will also be a part of this project. This will accomplish several objectives in the area while the storm sewer project is underway.

On Wednesday, May 20, 2009, bids were received as follows:

<u>Bidder</u>	<u>Amount</u>
Engineer's Estimate	\$ 975,638.00
Keller Excavating, Inc.	\$1,077,472.00
Halbrook Excavating	\$1,192,692.02

One additional bid was received but was found to be non-responsive due to submitting incomplete paperwork. The majority of the cost differential between the engineer's estimate and the low bid is due to higher than estimated costs for water main work.

Engineering and construction administration costs are estimated at \$250,000. The current funding level for the storm water project is \$1,148,853 from General Obligation Bonds. This project will also use \$240,000 from the 2009/10 Water System Improvements Program to cover the costs of the water main work. Approved G.O. Bond funding beyond these costs will be available for contingencies on the storm sewer project.

**ALTERNATIVES:**

- 1a. Accept the report of bids for the South Duff Area Storm Sewer Reconstruction project.
  - b. Approve the final plans and specifications for the South Duff Area Storm Sewer Reconstruction project.
  - c. Award the South Duff Area Storm Sewer Reconstruction project to Keller Excavating, Inc. of Boone, Iowa, in the amount of \$1,077,472.00.
2. Reject the project.

**MANAGER'S RECOMMENDED ACTION:**

This project will correct storm sewer and water mains in the area, thereby improving the neighborhood. Including the water main work will allow us to complete all underground infrastructure replacement prior to resurfacing these streets.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby accepting the report of bids, approving the final plans and specifications, and awarding the South Duff Area Storm Sewer Reconstruction project to Keller Excavating, Inc. of Boone, Iowa, in the amount of \$1,077,472.00.