

## **COUNCIL ACTION FORM**

**SUBJECT: AWARD OF CONTRACT FOR ADA HAYDEN HERITAGE PARK  
FISHING PIER / OVERLOOK FEATURE**

### **BACKGROUND:**

In June 2009, City Council directed staff to submit a grant to the Iowa Department of Natural Resources (IDNR) to fund up to \$90,000 of the cost of a fishing pier/overlook feature to be located at Ada Hayden Heritage Park (Attachment A).

This structure was estimated to cost \$140,000. The IDNR awarded this grant to the City, and in August 2009 City Council approved a 28E agreement that confirms that the State will fund 75% of the actual cost or \$90,000 (whichever is less) to construct this feature. The City's FY09/10 Capital Improvement Plan includes \$50,000 for this project in Local Option Sales Tax funding.

Council approved the Plans and Specifications for this project on January 12, 2010, and established February 11, 2010 as the bid due date.

The base bid was for an approximate 76 feet in length fishing pier / overlook feature to be constructed. Due to the popularity of Ada Hayden Heritage Park and the anticipated usage of this specific feature, two add alternates were included that would increase the length by 24 foot on each side. This would increase the length of the structure to 124 feet. A third alternate was included to construct a 10 foot wide by 130 foot in length hard surface path to provide a direct connection from the pier / overlook feature to the shelter / restroom.

In accordance with the engineering estimates provided by Snyder and Associates, the following budget was established for this project including all three alternates.

Engineering	\$ 15,000
Construction	<u>\$125,000</u>
Total	\$140,000 (\$90,000 IDNR Grant, \$50,000 City)

### **The following bids were received:**

	Base Bid	Alt.#1	Alt. #2	Alt. #3	TOTAL
Peterson Contractors, Inc.	\$131,075	\$16,500	\$16,500	\$ 9,800	\$173,875
Elder Corporation	\$161,609.97	\$20,345	\$20,345	\$ 8,700	\$210,999.97
Jensen Builders LTD	\$176,800	\$24,600	\$24,600	\$13,200	\$239,200
HPC, L.L.C.	\$230,000	\$24,000	\$24,000	\$15,000	\$293,000

In order to award the base bid, an additional \$12,600 (includes 5% contingency) in funding is required. As noted above, it is anticipated that the pier/overlook structure will be an extremely popular feature at the park. The inclusion of Alternates 1 and 2, with the base bid, will require an additional \$47,200 (includes 5% contingency) to fund the project.

Staff met with Snyder and Associates (engineering consultant) to gain insight as to why the bids were different from their estimate. They have informed staff that this project is a relatively small specialty project, which makes it difficult to predict contractor-bidding tendencies. They further explained that cost estimates are typically generated using two separate methods and then comparing the results. The first method is "unit pricing" which is only accurate when a project requires materials in large quantities. In this project, we do not have large quantities of materials. The second method is looking at comparable projects. Unfortunately, we have been told that they could not identify similar projects in other communities. Since neither method is applicable in this case, our consultants have indicated that some degree of difference between the construction cost estimate and actual bid amount should be expected.

Snyder and Associates said they believed these two issues account for the remaining difference between the project budget and the bids received. **They also emphasized, that in their opinion, redesigning and/or re-bidding the project is unlikely to result in substantially lower bids. They have informed the City staff that they believe the low bid is reasonable given the nature of this unique project.**

### **ALTERNATIVES:**

1. Award the contract to Peterson Contractors, Inc. in the amount of \$164,075 that includes the base bid and Alternates 1 and 2 (the additional length of 48 feet). This alternative will result in a total cost for construction, design, and contingency of \$187,200. In order to finance this alternative, the additional \$47,200 should be approved from the Park Land Acquisition and Development Fund.
2. Award the contract to Peterson Contractors, Inc. in the amount of \$131,075, which includes only the base bid (76 foot length). This alternative will result in a total cost for construction, design, and contingency of \$152,600. In order to finance this alternative, the additional \$12,600 should be approved from the Park Land Acquisition and Development Fund.
3. Award the contract to Peterson Contractors, Inc. in the amount of \$173,875, which includes the base bid plus all three alternates (the additional length of 48 feet and adjoining path). This alternative will result in a total cost for construction, design, and contingency of \$197,600. In order to finance this alternative, the additional \$57,600 should be approved from the Park Land Acquisition and Development Fund.
4. Reject all bids and rebid at later date.

### **CITY MANAGER'S RECOMMENDED ACTION:**

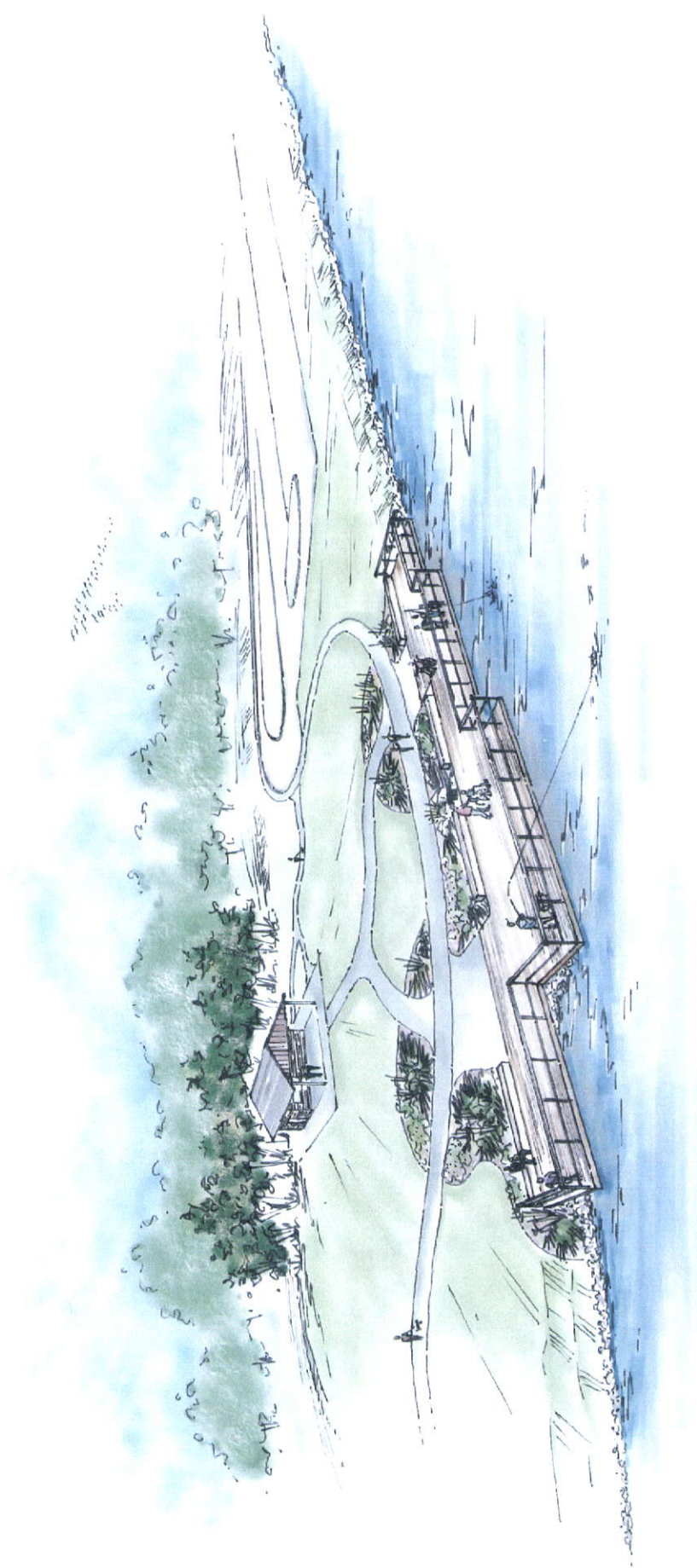
Ada Hayden Heritage Park is a jewel in the park system and this specific feature will be an excellent addition to this setting. Increasing the size by an additional 48 feet (adding two alternates) seems warranted given the popularity of this park. It should also be noted that this feature is compliant with the federal ADA law, which means it can be accessed and enjoyed by people of all ages and physical abilities.

The path from the structure to the shelter/restroom could be added at a later time since the existing path does connect users from the trail to the shelter/ restroom. This alternate was included to provide a direct route between these two amenities for park users.

Given the fact that our consulting engineer reviewed the bids and advised that redesigning or re-bidding the project would not result in substantially lower bids, it is the recommendation of the City Manager that City Council approve Alternative #1 and award a contract to Peterson Contractors, Inc. in the amount of \$164,075. This action would include the base bid and the addition of 48 feet of length as specified with Alternates 1 and 2. This alternative will result in a total cost for construction, design, and contingency of \$187,200.

If the Council supports this recommendation, funding to cover the \$47,200 project shortfall should be taken from the Park Land Acquisition and Development fund. Council annually contributes \$100,000 to this fund, which is projected to have a balance of \$711,424 as of June 30, 2010.

It should be noted that the 28E agreement with IDNR contains language which states that this project must be completed by August 19, 2010, or grant funding could be withdrawn.



# ADA HAYDEN HERITAGE PARK

## Lakeside Overlook & Fishing Pier



SNYDER & ASSOCIATES  
Engineers and Planners

01/10/09