

**COUNCIL ACTION FORM**

**SUBJECT: CONSTRUCTION OF PUMP STATION & WASTEWATER METERING IMPROVEMENTS FOR NATIONAL CENTERS FOR ANIMAL HEALTH**

**BACKGROUND:**

On January 10, 2012, Council received bids for the construction of the USDA-National Centers for Animal Health (NCAH) Pump Station and Wastewater Metering Improvements. C.L. Carroll Company, Inc. was the sole responsible, responsive bidder with a total bid price of \$860,000. The engineer's estimate and construction budget for this project is \$765,890.

As a result of the bid being 12 percent over the engineer's estimate, Council received bids without awarding a contract to allow staff and the USDA additional time to review the project and determine if adequate funding is available or if a portion of the project could be delayed. After reviewing the project, staff and the USDA were both in agreement that construction of all improvements at this time is necessary to ensure the safety of staff maintaining the facilities and to ensure that the USDA continues to have reliable water service and wastewater metering.

The current cost estimate for this project is as follows:

|                                             |                  |
|---------------------------------------------|------------------|
| Engineering Services – Design/Bidding Phase | \$ 105,112.00    |
| Construction                                | 860,000.00       |
| <u>Construction Inspection Services</u>     | <u>52,131.15</u> |
| Total                                       | \$ 1,016,862.15  |

The current overall project budget contains \$934,000 for design, construction, and construction inspection services. The additional funds needed for this project will come from the available Sewer Fund balance.

**Since these improvements solely benefit the NCAH, all costs incurred by the City will be reimbursed by the NCAH. USDA staff has confirmed via e-mail that they have an obligation to pay the entire cost of the improvements. To accommodate their budget, staffs from both organizations have agreed to a 30-month repayment schedule. The schedule will include interest at a rate of three percent, the same rate the City is paying for financing through the Clean Water State Revolving Fund. The repayment schedule has been incorporated into the Sewer Fund projections and will not delay other scheduled projects for the City.**

**ALTERNATIVES:**

1. Award the NCAH Pump Station and Wastewater Metering Improvements construction contract to C.L. Carroll Company, Inc. of Des Moines, Iowa, in the amount of \$860,000.
2. Reject bids and do not award a contract for construction at this time.

**MANAGER'S RECOMMENDED ACTION:**

Although the bid for this project came in over the engineer's estimate, staff and the USDA are in agreement that it is important that this project move forward as planned to ensure the safety of staff maintaining the facilities and to ensure that the USDA continues to have reliable water and wastewater services.

Therefore, it is the recommendation of the City Manager that Council adopt Alternative No. 1, thereby approving award of the NCAH Pump Station and Wastewater Metering Improvements construction contract to C.L. Carroll Company, Inc. in the amount of \$860,000.