



# Memo

City Manager's Office

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TO: Mayor and Ames City Council  
FROM: Steven L. Schainker, City Manager  
DATE: June 22, 2012  
SUBJECT: Library Renovation Project

As you will recall, the Library bond referendum was overwhelmingly supported by the citizens of Ames. During the informational campaign in advance of the referendum, the Library Board emphasized that the renovation of the facility would involve a \$20,000,000 project funded by \$18,000,000 in G.O. Bond revenues, \$1,000,000 from a previous Library bequest already in the City accounts, and \$1,000,000 from future donations. A private firm ultimately was hired to assist in the solicitation of these donations.

Recently, I met with representatives of the Library Board to inquire about its proposed project budget. The timing of this meeting was very important because the Board is about to ask the Council to obligate the City to a number of expensive contracts associated with the renovation project. In addition, I had been informed that the estimated project cost had grown to over \$20,000,000, and the amount of donations received to date totaled only \$313,000. The remaining donations were to come from yet to be received pledges that are scheduled to be paid over a period of three years, and even the amount of outstanding pledges (\$470,966) will not generate sufficient revenue to cover the new estimated project cost.

At the meeting, I cautioned the Board representatives that to my recollection we have never proceeded with a project based on projected pledges, some of which might never be received. While I stressed it will be up to the Council to determine the level of risk to take on this project, I stated that I would prefer that we have a plan in place to only enter into project contracts that total the actual cash on hand.

This philosophy would require cutting back the project to the level of current revenues and/or identifying alternatives in the bid process that could be pursued later during the two year construction period once the additional cash is received. (I should emphasize that it is not unusual for departments to cut back their project cost and eliminate some of the amenities they had hoped for to stay within the revenue available at the time of bid letting.)

The Library Board was very supportive of this approach to financing the renovation project and has worked very hard with its consultants to reduce the project costs. The Board agreed to only obligate the City to contracts where there is money on hand to support the financial obligation.

The purpose of this agenda item is to bring the City Council up to date on the estimated budget for the renovation project (see below). While the total project cost is currently estimated to be \$20,085,000, the Library Board has agreed to proceed with a project totaling \$19,458,000 to match existing revenues. As additional revenues are received, additional improvements can be added to the project.

### LIBRARY RENOVATION PROJECT

-Current Status Based on Expenditures Equaling Revenues on Hand-

REVENUE		EXPENDITURES	
G.O. Bonds	\$18,000,000	Professional Services	\$1,754,414
Existing Bequest	1,085,000	Owner Costs	\$2,838,040
Roy Carver Grant	\$60,000	Construction Costs	\$13,552,930
New Donations On Hand	\$313,000	Contingencies (7.3%)	\$1,312,616
<b>Total Revenue</b>	<b>\$19,458,000</b>	<b>Total Expenditures</b>	<b>\$19,458,000</b>

c: Lynne Carey, Assistant Library Director

Project: Ames Public Library  
 Ames, Iowa  
 Architect: MS&R Architects

# Project Cost Summary

**INTEGRITY**  
 CONSTRUCTION  
 623 East Lincoln Way  
 Ames, Iowa 50010  
 6/20/2012

No.	Scope of Work/Description	Breakdown	Unit Price	Current Estimate	Amount	Remarks
<b>Project Size</b>	New Construction	27,990 sf				
	Remodel Construction	50,490 sf				
	Total	78,480 sf				
<b>1</b>	<b>Construction Costs</b>	78,480 sf	172.69 /s.f.		\$ 13,552,930	D.D. Cost Estimate
1.01	Construction Costs per CMPI Cost Management Report based on Design Development Drawings dated May 15, 2012			\$ 12,911,150		
1.02	Labor & Material Escalation Factor			\$ 555,180		
1.03	Repair/Replacement of Windows			86,600		
<b>2</b>	<b>Estimate Contingency</b>	78,480 sf	\$ 4.06 /sf		318,340	
	Estimate Contingency for Interpretation of Design Intent			\$ 318,340		
	<b>Subtotal</b>		\$ 176.75 /sf		\$ 13,871,270	
<b>3</b>	<b>Change Order Allowance</b>					
	Estimated Amount for Potential Change Orders	650,000				
	Current Change Order Budget	650,000 4.7%				
			4.7%		650,000	
	<b>Total Construction Costs</b>		\$ 185.03 /sf		\$ 14,521,270	
<b>4</b>	<b>Professional Services</b>				1,754,414	
4.01	Professional Design Services - Main Project			\$ 1,260,755		MS&R Architects
4.02	Professional Services for Furnishings		1,466,325	205,570		MS&R Architects
4.03	Reimbursable Expenses			40,000		
4.04	Printing of Bid Documents			40,000		
4.05	Phase 1 Environmental Study			19,200		Terracon Consultants
4.06	Code Related Testing During Construction			30,000		

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623 East Lincoln Way  
 Ames, Iowa 50010

6/20/2012

No.	Scope of Work/Description	Breakdown	Unit Price	Current Estimate	Amount	Remarks
4.07	Geotechnical Soil Investigation			5,760		Allender Butzke Engineers
4.08	Topographical Survey			6,250		CGA
4.09	LEED Building Commissioning Services			49,879		Cornerstone Commissioning
4.10	LEED Application Fees			12,000		
4.11	Construction Advisor			85,000		Integrity Construction
	<b>Subtotal</b>				<u>\$ 16,275,684</u>	
<b>5</b>	<b>Owner Costs</b>				<b>2,838,040</b>	
5.01	Furnishings, Including Installation			1,781,335		
5.02	Book Security System			50,000		
5.03	Computers, Phones, & Network Equipment			-		
5.04	A/V Equipment for Major Meeting Room			50,000		
5.05	Book Conveying Systems			-		
5.06	Library Signage			116,816		
5.07	Inflation Allowance for FF&E			119,889		
5.08	Asbestos Abatement			150,000		
5.09	Moving Costs From Existing Library			35,000		
5.10	Moving Costs To New Library			35,000		
5.11	Temporary Location Expense			500,000		
	<b>Subtotal</b>				<u>\$ 19,113,724</u>	
<b>6</b>	<b>Project Contingency</b>					
	Project Contingency			344,276	1.8%	344,276
	<b>Current Project Budget</b>					<u>\$ 19,458,000</u> Based on Cash on Hand
<b>7</b>	<b>Outstanding Pledges &amp; Fundraising</b>					
	Amount Pledged, but Not Received			470,966	3.2%	627,000
	Additional Fundraising			156,034		
				<u>627,000</u>		
	<b>Total Project Budget</b>					<u>\$ 20,085,000</u>

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**Additional Project Scope Needs (draft)**

	<u>Estimated Cost</u>	<u>Source of Funds</u>	
1 Upgrade Video Distribution	29,300		
2 As-Constructed Electronic Drawings	21,000	344,276	Current Project Contingency
3 Structural Upgrade for Compact Shelving	250,000		
4 Computers, Phones, Network Equipment	TBD	470,966	Current Pledged Amount
5 Book Conveying Systems	650,000		
6 New Shelving	TBD	TBD	Future Pledge Goal
7 Meeting Room Technology	TBD		
8 Video Surveillance	TBD		
9			
10 Subtotal of Additional Scope Needs	<u>950,300</u>	<u>815,242</u>	(135,058) Difference

**Potential Cost Reduction Items**

	<u>Est. Savings</u>
1 Reuse more existing furnishings	TBD
2	
3	
4	