

COUNCIL ACTION FORM

**SUBJECT: CITY HALL PARKING LOT RECONSTRUCTION
(SOUTH SKUNK RIVER BASIN WATERSHED IMPROVEMENTS)**

BACKGROUND:

This is a rebidding of the project previously bid in June where bids were rejected and the project was sent back for re-design. The new bids were again over-budget and staff needed time to develop a recommendation on how to proceed with the project.

By way of background, on February 24, 2015, City Council authorized application for two state-funded grants to facilitate storm water quality and quantity improvements in the downtown area. The City subsequently received \$100,000 from the Iowa Department of Agriculture and Land Stewardship (IDALS) for water quality improvements as proposed in the application. Funding from the State Revolving Fund (SRF) Sponsored Project Program was also awarded in connection with two SRF funded sewer improvement projects. Essentially, the interest paid to the Iowa Department of Natural Resources (IDNR) on the SRF loans for those projects is being returned to the City for use on these storm water-related parking lot improvements.

Staff created a master plan for the project site, which is within the Squaw Creek Watershed. The site extends between 5th Street and 6th Street, around City Hall, and within Parking Lots M, MM, and N. The scope for this specific project was defined to include the area around City Hall and Parking Lot M (lot west of City Hall). Work in the remaining areas will be re-evaluated as additional funding may become available in the future.

This project includes soil quality restoration and replacing all standard lawn turf with native turf/landscape. In addition, permeable pavers and bio-retention cells will be constructed at various locations on the site.

Management of the water quality and quantity volumes of storm water runoff will be met, thereby satisfying the requirements of the City's Post Construction Ordinance, Chapter 5.B. **This project is intended to serve as a model for others who develop residential and commercial properties within the City and who hope to achieve successful post-construction storm water management.**

An informational meeting was held for City Hall staff members to outline the parking displacement plan for employees who will be temporarily displaced during the parking lot construction. The project will be staged to maintain access to Lot MM (the parking lot north of the Veterans Memorial) at all times and to reconstruct Lot M one half at a time

and maintain access to the other half during construction. Staff will utilize Lot M, Lot N (the lot east of City Hall), and Lot TT (the lot west of Kosama on Main Street), as well as approximately 25 spaces made available by Fareway, for daily staff parking on a first come first served basis. Staff will not utilize the free public parking in Lot MM during construction.

On June 22, 2016, two bids were received, one of which was determined to be non-responsive. At the June 28, 2016 meeting, the City Council rejected all bids due to high costs and directed staff to rebid the project at a future date.

Staff worked with Bolton & Menk, consulting engineer on the project, to identify measures to modify the project with the intent to lower project costs. These included revising the completion date to spring 2017, providing additional clarification on certain bid items, and replacing portions of existing curb and gutter in parking Lot M as an alternate bid item. These adjustments still fulfill the requirements of the IDALS and SRF Sponsored Project Water Quality Grants.

On August 3, 2016, the following two bids were received on the project:

	Eng. Estimate	Woodruff	Con-Struct
BASE & ALT #1 (ASPHALT) TOTAL	\$989,464.00	\$1,180,223.95	N/A
BASE & ALT #2 (CONCRETE) TOTAL	\$1,187,864.00	\$1,278,683.95	\$1,270,739.70
BASE & ALT #1 + ALT #3 (Curb) TOTAL	\$997,356.00	\$1,189,537.95	N/A
BASE & ALT #2 +ALT #3 (Curb) TOTAL	\$1,195,756.00	\$1,287,997.95	\$1,279,359.70

At the August 9, 2016, Council accepted the report of bids and approved final plans and specifications for the project.

Previously identified revenue for the project is shown below:

	Available Revenue
City Hall Parking Lot Reconstruction Funding	\$ 500,000
Savings from City Hall Roof Project*	\$ 100,000*
IDALS Water Quality Grant	\$ 100,000
Iowa DNR SRF Sponsored Project Funding	\$ 340,000
15/16 Storm Water Quality Improvement Program	\$ 100,000
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	\$ 1,140,000

*The City Hall roof project was budgeted at \$700,000, and the actual contract plus engineering/inspection will cost \$500,000. By using \$100,000 for this parking lot project, \$100,000 will still remain for any roof project change orders.

Project award would typically be based on the lowest cost pavement alternative, which in this case is Woodruff bidding Base and Alternate #1 (asphalt) at a cost of \$1,180,223.95. However, the specifications for the project require the successful bidder to self-perform at least 50% of the work on the project. As a part of the evaluation, it was determined that the low bidder, Woodruff, is unable to meet this self-performance specification requirement. The second low bidder, Con-Struct, meets this requirement, with the lowest bid being Base + Alt #2 (concrete) in the amount of \$1,270,739.70. With engineering and contract administration estimated in the amount of \$150,000, however, **total estimated expenses are over \$1,420,000. This exceeds previously identified funding by approximately \$280,000.**

ALTERNATIVES:

1. **Reject the bids as received and rebid the project at a future date.**
2. Identify additional funding, and award the City Hall Parking Lot Reconstruction (South Skunk River Basin Watershed Improvements) to Con-Struct of Ames, Iowa in the amount of \$1,279,359.70 as the lowest alternative award package meeting specifications and direct staff to find additional project funding.

MANAGER'S RECOMMENDED ACTION:

With rejecting the bids, staff will work with the consultant to redesign the project for a future letting date and construction likely beginning in spring 2017. This will allow staff to analyze the 50% self-performance requirement. Lowering this requirement could open the project for bidding by more firms, which may lead to lower costs. Additionally, this will also provide staff time to look for additional funding sources to ensure the project's successful future bid.

The IDALS Water Quality Grant noted in the funding table originally had a deadline of June 30, 2016 for expenditure of the funds. Staff has worked with IDALS for an extension of this date to June 30, 2017. IDALS staff has been contacted and it was determined that expending these funds first (prior to June 30, 2017) with spring 2017 construction will meet the requirements of the grant.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.