

COUNCIL ACTION FORM

SUBJECT: FLOOD MITIGATION – RIVER FLOODING (CHANGE ORDER No. 1)

BACKGROUND:

On February 11, 2020, City Council approved the FEMA grant funding agreement for the stream bank restoration project providing flood mitigation in the loway Creek channel. A central component includes conveyance improvements within the channel approximately 2,000 feet either side of the South Duff Avenue bridge. On November 9, 2021, a contract was awarded to Keller Excavating, of Boone, Iowa, in the amount of \$3,327,523.50.

During excavation, an excessive quantity of old vehicle parts has been found buried on the properties purchased from MKTM LLC (1008 S Duff Ave rear and 1012 S Duff Avenue). Staff completed an environmental review of the property before the purchase as part of due diligence efforts; however, this collection of parts was not discovered and remained unknown until excavation began. The seller did not indicate any environmental issues such as this to the City prior to purchase.

Unfortunately, it appears that the vehicle parts are mixed with too much debris to be suitable for recycling. **Change Order No. 1 to properly remove and dispose of these vehicle parts is in the amount of \$107,410.** The current estimated project costs and funding are as follows:

Flood Mitigation - River Flooding	Fiscal Year			
	2015/16	2016/17	2018-2022	
Expenditures				Total Expenditures
Design Contract (WHKS)	\$138,000		\$181,200.00	\$319,200.00
Land Acquisition Agent (CGA)			\$74,800.00	\$74,800.00
Land Acquisition			\$2,090,402.40	\$2,090,402.40
Construction Contract Awarded			\$3,327,523.50	\$3,327,523.50
Change Order No. 1			\$107,410.00	\$107,410.00
Engineering/Constr Admin (City Staff)			\$243,128.53	\$243,128.53
				\$6,162,464.43
Funding Shown in CIP				Total CIP Funding
20/21 Storm Water Utility Funds			\$500,000	\$500,000
GO Bonds	\$644,000	\$504,000	700000	\$1,848,000
FEMA Hazard Mitigation Grant			\$3,747,450	\$3,747,450
				\$6,095,450
Additional Requested Bond Funding				\$100,000
Available bond savings				\$618,124

ALTERNATIVES:

1. a. Approve Change Order No. 1 for the loway Creek Restoration and Flood Mitigation project in the amount of \$107,410.
b. Authorize utilizing \$100,000 in unallocated G.O. Bonds for this project.
2. Do not proceed with this change order to the project.

CITY MANAGER'S RECOMMENDED ACTION:

The removal of these old vehicle parts is necessary to proceed with the improvements planned as part of this project. The contractor cannot initiate their removal until a change order is agreed to. Approving this Change Order allows the project to continue toward meeting the FEMA close-out deadline of June 2022. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

Staff will work with the Legal Department to determine if there is any liability on the part of the property seller or environmental consulting firm related to this change order.