

COUNCIL ACTION FORM

SUBJECT: SOUTH 16TH STREET IMPROVEMENTS

BACKGROUND:

This project, to reconstruct and add turn lanes at S. Duff Avenue and S. 16th Street, is one of the phases associated with the extension of S Grand Avenue. The projects have been broken into three phases to allow for flexibility in timing of construction and funding:

- 1) S 5th St and S Grand Ave (loway Creek Drive to S 5th St.) **(Completed)**
- 2) S Grand Ave south of S 5th Street (this portion includes two bridges to accommodate Squaw Creek under the roadway). **(Substantially Complete)**
- 3) Reconstruction and additional turn lanes at S Duff Ave and S 16th St. **(This project)**

Work includes turn lane and traffic signal improvements at S 16th Street/S Duff Avenue, reconstruction of concrete pavement on S 16th Street each direction of S Duff Avenue, and infill of sidewalk along the south side of S 16th Street from S Grand Avenue to just west of Menards.

On February 16, 2022, bids for the project were received as follows:

Bidder	Base Bid Amount
<i>Engineer's Estimate</i>	\$ 3,835,811.40
Con-Struct Inc.	4,200,984.70
Shekar Engineering, P.L.C.	4,225,893.37
Absolute Concrete	4,796,958.90

On February 22, 2022, City Council accepted the report of bids for this project. Due to the substantial cost difference between the lowest bid and the Engineer's Estimate, staff requested that the City Council delay the award of bid to provide time to analyze the bids and the project financing.

City staff and the project consultant have identified several aspects of the project as leading to the high bids. **Therefore, City staff believes the appropriate course of action would be to reject the award of bids and make substantial modifications to the project.** These modifications include:

- 1) Rerouting the storm sewer pipe along the north side of the roadway to instead be on the south side. This change helps eliminate all high-cost pipes due to the previous proximity to existing water main to using standard pipes, and all the modified storm structures to standard structures.

- 2) Extending the completion date to provide the contractor the flexibility to complete the west side of the intersection this year and the east side in 2023.

Although staff and the consulting engineer believe these modifications will reduce the cost of the construction compared to the bids originally received, the revised estimate also reflects an increased cost of construction materials and services. Therefore, these revisions result in an increased construction cost estimate of \$3,870,395.80 compared to the previously bid plans.

If approved, the revised plans would be sent out for bids in April, and completion of the majority of the project would be able to occur in the 2022 construction season.

Revenues and expenses for this project, reflecting the revised Engineer's Estimate, are as follows:

Activity	Expenses	Revenue
Engineering (overall total)	2,625,350.00	
South 5 th Street Project (Completed)	3,187,255.70	
S Grand Extension (Substantially Complete)	8,883,564.62	
S 16th St/S Duff Ave Imp (Revised plans)	3,870,395.80	
Land Acquisition	841,848.40	
Tree Clearing & Temporary Signal	138,206.39	
Traffic Signal (Cabinet/Poles/Camera)	210,000.00	
Pedestrian Bridge (Relocate to Schulte)	250,000.00	
GO Bonds		11,580,000
2021/2 Stormwater Improvement Program		150,000
MPO/STP Funds (\$4,300,000 in CIP)		5,500,000
Federal/State Grants (\$4,273,000 in CIP)		2,791,485
TOTAL	\$20,006,620.91	\$20,021,485

ALTERNATIVES:

1. a. Approve the final plans and specifications for this project.
b. Reject the South 16th Street Improvements project bids and direct staff to re-bid the project.
c. Approve revised plans and specifications for the South 16th Street Improvements project and establish April 6, 2022, as the date of letting and April 12, 2022, as the date for report of bids.
2. a. Approve the final plans and specifications for this project.
b. Award the contract to Con-Struct of Ames, IA in the amount of \$4,200,984.71.
3. Reject all bids and do not proceed with this project during the 2022 construction season, delaying instead to the 2023 construction season.

CITY MANAGER'S RECOMMENDED ACTION:

Rejecting the bids and approving revised preliminary plans and specifications will allow this project to be re-bid and will result in lower street maintenance costs, improve area drainage, and provide a better traffic flow at the intersection of S Duff Avenue and S 16th Street.

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