

ITEM # 37
DATE: 04-26-22

COUNCIL ACTION FORM

SUBJECT: DOWNTOWN PLAZA PLANS AND SPECIFICATIONS

BACKGROUND:

This project is to construct a Downtown Plaza in the parking lot directly east of City Hall. The main activity features of the Plaza are a water channel (runnel) and a spray pad for summer fun, as well as an ice-skating ribbon for winter activities. The plan also includes hardscape and green landscaped areas, benches, a small stage for performances, year-round universal public restrooms, and space for food trucks. There will also be parking improvements along Clark Avenue. All of these aforementioned items are included in the base bid.

Due to an unexpected cost increase in the ice-skating ribbon and additional space needed for some equipment, several changes were made to the plaza design from the original concept that was presented to the City Council on November 9, 2021. On February 2, 2022, the following project changes were approved by the City Council to the project.

- A. Shift the ice-skating ribbon and building to the west to accommodate larger condenser unit which is needed for making ice
- B. Increased the size of the utility yard to accommodate the condenser unit and the addition of a small retaining wall and 6' tall wooden fence for security purposes
- C. A 4' wide dry deck added on east side of water runnel and splash pad area
- D. Curb on east side of water runnel raised to the seat wall height
- E. Provided additional turf area for flexible use/seating
- F. Removed walk on the west side of the feature art sculpture
- G. Relocated food truck parking
- H. Added ADA walkway to the performance stage
- I. Removed 5th Street Right-of-Way work

Additionally, several components were removed from the base design and four add-alternates were included in the bids. One deduct alternate is included calls for the conversion of the ice-skating ribbon to a more traditional shaped ice rink. These alternates are included in the bid documents and are explained below:

Add-Alternate #1 – Swinging Benches – (\$65,000 for four benches)

Provide all labor, equipment, materials, insurance, and other components necessary to add two (2) Swinging Benches, including footings.

Add-Alternate #2 – Color PCC Band at Outside Ice Perimeter – (\$14,000)

Provide all labor, equipment, materials, insurance, and other components necessary to add a colored concrete PCC band around the perimeter of the ice pavement. The dimensions are 2 ft wide, 9 in deep, and 365 ft in length.

Add-Alternate #3 – Light Columns – (\$39,000 for seven columns)

Provide all labor, equipment, materials, insurance, and other components necessary to add seven light columns, including footings and electrical connections.

Add-Alternate #4 – Seating Nook – (\$74,000)

Provide all labor, equipment, materials, insurance, and other components necessary to add a second seating nook.

Add-Alternate #6 CO2 Ice Rink System (\$360,000)

This add-alternate was added by addendum during the bidding process. A manufacturer of ice equipment made the request to use CO2 instead of a synthetic coolant. Staff agreed to the addition as the manufacturer estimated 10% in efficiency gains and CO2 is a natural refrigerant that would not be subject to any future regulations in coolants.

Deduct-Alternate #5 – Ice Rink (No cost savings to switch to larger ice surface)

Provide all labor, equipment, materials, insurance, and other components necessary to convert the ice-skating ribbon into an ice rink by removing the interior “island”. This includes the reduction of dasher and railings around the interior island, removal of festoon lighting, removal of synthetic turf, and removal of the PCC band (Type 4 Pavement). This also includes the addition of ice rink decking to infill of the interior island.

On April 13, 2022, Bids were received as follows:

BIDDERS	LUMP SUM BASE BID AMOUNT
Henkel Construction Company Mason City, IA	\$4,619,000.00
Graphite Construction Group, Inc. Des Moines, IA	\$4,624,000.00
HPC, LLC Ames, IA	\$4,800,000.00
GTG Construction LLC Johnston, IA	\$4,865,000.00
Woodruff Construction, Inc Ames, IA	\$4,956,700.00

Alternative Bids:

BIDDERS	ADD ALTERNATE #1: SWINGING BENCHES	ADD ALTERNATE #2: COLOR PCC BAND AT OUTSIDE OF ICE PERIMETER	ADD ALTERNATE #3: LIGHT COLUMNS	ADD ALTERNATE #4: SEATING NOOK	DEDUCT ALTERNATE #5: ICE RINK	ADD ALTERNATE #6: CO2 REFRIGERANT ICE RINK SYSTEM
Henkel Construction Company Mason City, IA	\$5,000.00	\$14,000.00	\$39,000.00	\$74,000.00	No Change	\$360,000.00
Graphite Construction Group, Inc. Des Moines, IA	\$45,000.00	\$13,000.00	\$40,000.00	\$112,000.00	(\$204,000.00)	No Bid
HPC, LLC Ames, IA	\$65,000.00	\$10,000.00	\$42,000.00	\$112,000.00	(\$170,000.00)	\$400,000.00
GTG Construction LLC Johnston, IA	\$57,000.00	\$17,000.00	\$38,000.00	\$104,000.00	(\$195,000.00)	No Bid
Woodruff Construction, Inc Ames, IA	\$23,200.00	\$18,000.00	\$40,300.00	\$97,700.00	(\$190,000.00)	\$177,200.00

As shown above the base bids were significantly over the engineer's estimate of \$3,938,591 (this includes the artwork and FFE which were not part of the base bid). The apparent low base bidder, Henkel, is \$680,409 over the engineer's estimate.

The total project cost with the low base bid is shown below

Total Project Estimate:	Amount
Downtown Plaza Project Bid	\$4,619,000
Conceptual Design (For Reinvestment District Application)	\$ 20,000
Engineering & Design	\$ 377,250
Geotechnical/Survey	\$ 11,500
Estimated Permits/Fees	\$ 10,850
FF&E Allowance	\$ 134,000
Signature Art Piece	\$ 150,000
Contingency	\$ 192,000
Total Project Estimate	\$5,514,600

Total available funding for the entire project is **\$4,555,121**. The project activities and associated funding sources for each Fiscal Year are shown below:

Fiscal Year	Project Activity	Cost	Funding Sources
2020/21	Conceptual Design	20,000	Hotel Motel Tax (\$20,000)
2021/22	Design/Construction	2,184,624	G.O. Bonds (\$700,000) General Fund (\$1,484,624)
2022/23	Construction	2,350,497	G.O. Bonds (\$700,000) Local Option Sales Tax (\$200,000) Council Priorities Fund (\$1,000,000); American Rescue Plan (\$450,497)
	Total	\$4,555,121	\$4,555,121

These new totals result in a project funding shortfall of \$959,479 based on the available funding. Discussions with our consultants indicate that rebidding the same project at a later date will likely not result in better bids. If the project is to be rebid, the scope should be modified.

A review of the project indicates the only single element that can be changed from the original scope that would yield the necessary project savings would be the elimination of the ice component which is estimated to cost \$1.2 million - \$1.3 million. This includes the removal of all equipment and related elements for a refrigerated ice rink. As the City Council knows, this element was crucial to your vision for a four-season amenity and would not be a preferred course of action. Eliminating other large components of the project, such as the addition of parking along Clark Avenue or the water features within the Plaza do not individually provide enough savings.

In discussions with the apparent low bidder, Henkel, there may be some savings to be accomplished through further value engineering portions of the project that could partially reduce the project funding shortfall. These savings could partially offset the increased costs, but staff does not believe they will substantially close the gap. Examples include the moonstone seating, polycarbonate roof over the seating area, and the landscape wall next to the runnel.

If City Council wants to move ahead with the project as originally envisioned, staff will continue to work on identifying potential savings and potential funding sources to cover this project funding shortfall.

ALTERNATIVES:

1. a) Accept the report of bids for the Downtown Plaza Project
 - b) Instruct staff to bring back recommendations to reduce project costs and identify additional funding sources to make up the projected funding shortfall.

2. a) Accept the report of bids for the Downtown Plaza Project

- b) Instruct the staff to rebid the project at a later date with the same plans and specifications.
- 3. a) Accept the report of bids for the Downtown Plaza Project
- b) Instruct the staff to rebid the project at a later date with new plans and specifications that eliminate the ice feature.
- 4. Reject all bids and delay moving forward with the project at this time.

CITY MANAGER’S RECOMMENDED ACTION:

Developing a Downtown Plaza has been a high priority for the City Council, and once constructed it will enhance the opportunities in the downtown area for residents and visitors. While the bids were substantially over the estimate, there were five bids within a relatively close range.

It appears, to move ahead with this project with the current approved level of funding, the project will need to be redesigned and rebid without the ice component, which would no longer meet the Council’s vision for the space. Also, a rebid would delay the project to opening in late 2023 or early 2024.

Assuming that the City Council members desire to make every effort to move forward with this project as soon as possible to accomplish their vision for this project, it is the **recommendation of the City Manager that City Council approve Alternative #1**, as stated above. This action will 1) accept the report of bids for the Downtown Plaza Project and 2) instruct staff to bring back recommendations to reduce project costs and identify additional funding sources to make up the projected funding shortfall.