

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 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 Fifth 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 was 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

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

Add-Alternate #2 – Color Concrete Band at Outside Ice Perimeter

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

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

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

Deduct-Alternate #5 – Ice Rink

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 concrete band. This also includes the addition of ice rink decking to infill the interior island.

Add-Alternate #6 CO2 Ice Rink System

This add-alternate was included 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% efficiency improvement and CO2 is a natural refrigerant that would not be subject to any future regulations in coolants.

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

	Henkel Construction Company Mason City, IA	Graphite Construction Group, Inc Des Moines, IA	HPC, LLC Ames, IA	GTG Construction LLC Johnston, IA	Woodruff Construction, Inc. Ames, IA
BASE BID	\$4,619,000	\$4,624,000	\$4,800,000	\$4,865,000	\$4,956,700
ADD ALT #1: Swinging Benches	5,000	45,000	65,000	57,000	23,200
ADD ALT #2: Perim. Color Concrete	14,000	13,000	10,000	17,000	18,000
ADD ALT #3: Light Columns	39,000	40,000	42,000	38,000	40,300
ADD ALT #4: Seating Nook	74,000	112,000	112,000	104,000	97,700
DEDUCT ALT #5: Remove Ice Island	No Change	(204,000)	(170,000)	(195,000)	(190,000)
ADD ALT #6: CO2 Ice System	360,000	No Bid	400,000	No Bid	177,200
TOTAL (BASE BID + ALL <u>ADD</u> ALTERNATES)	\$5,111,000	\$4,834,000	\$5,089,000	\$4,691,000	\$5,313,100
TOTAL (BASE BID + ALL <u>ALTERNATES</u>)	\$5,111,000	\$4,630,000	\$5,259,000	\$4,886,000	\$5,123,100
TOTAL (BASE BID + ADD ALT. #2 <u>ONLY</u>)*	\$4,633,000	\$4,637,000	\$4,810,000	\$4,882,000	\$4,974,700

**Later in this report, staff will recommend awarding Add Alternate #2 based on the cost and the visual appeal that alternate provides. Henkel remains the low bidder when the base bid and Add Alternate #2 are considered.*

The Engineer's Estimate was \$3,938,591 total for the Base Bid components and allowances for artwork and FFE. Excluding the artwork and FFE, the Base Bid estimate alone becomes \$3,654,591.

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

Total Project Estimate:	Amount
Downtown Plaza Project Base 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

Incorporating the low base bid into the project budget results in an overall project funding shortfall of \$959,479. At the April 26, 2022 meeting, City Council accepted the report of bids and directed staff to bring back recommendations to reduce the cost of the project and to identify options for potential funding of the shortfall.

Discussions with the project 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. With the assumption that City Council’s preference is to maintain the ice loop, City staff worked with the apparent low base bidder Henkel regarding opportunities to modify project components to meet available funding.

These discussions resulted in three lists of project modifications:

- 1) A list of potential changes to construction contract project components that **staff recommends** pursuing (including Add Alternate #2),
- 2) A list of potential changes to non-construction contract project components that **staff recommends** pursuing, and
- 3) A list of potential changes to project components that **staff does not recommend** pursuing.

The City Council should note that some of the components in these lists are outside the scope of the construction contract, but impact the overall project budget. These include the artwork and adjustments to fixtures, furnishings, and equipment.

The City Council should note that if direction is provided to pursue Deduct Alternate #5 as a cost saving measure (thereby eliminating the ice loop island and converting the ice feature to an ice rink), then the low bidder becomes Graphite Construction Group, Inc., Des Moines, IA. The list of modifications presented below has not been discussed with Graphite because staff believes the Council would

prefer to retain the ice loop. Graphite would not be bound to agree to any other changes to reduce project costs if the ice loop was eliminated.

STAFF RECOMMENDED MODIFICATIONS:

City staff recommends City Council approve the following construction contract changes with Henkel:

#	ITEM	Cost Change
1	Eliminate Moonstones	\$ (50,000)
2	Eliminate Cast Stone Wall Cap	\$ (37,000)
3	Eliminate Paver Chessboard	\$ (3,000)
4	Eliminate Art Wall	\$ (32,000)
5	Convert Custom Pavers to Stock Brand/Color	\$ (14,400)
6	Extend Metal Roof in Lieu of Separate Canopy	(22,500)
Subtotal of Construction Contract Cost Reductions		\$ (158,900)
7	ADD ALTERNATE 2: Colored Concrete Band	\$ 14,000
Total Construction Contract Cost Change		\$ (144,900)

Outside of the construction contract, staff recommends several additional changes. These changes are necessary to either reduce project expenses to match available funding, or are slight increases necessary to accommodate the elimination of costlier components from the project:

#	ITEM	Cost Change
8	Eliminate the Signature Art Piece	\$ (150,000)
9	Add Benches to Replace Moonstone Seating	\$ 5,000
10	Add Plantings to Replace Art Wall	\$ 5,000
11	Add Increase to FFE Allowance, per estimates	\$ 66,000
Total Non-Construction Contract Cost Change		\$ (74,000)

In total, the staff recommended changes result in a reduction of overall project expenses by \$218,900. The project funding shortfall would therefore be \$740,579. Staff is recommending that if Council wishes to cover this shortfall, funding from the Council Priorities Fund could be used. This fund contains \$1,000,000.

OTHER POTENTIAL PROJECT MODIFICATIONS (NOT STAFF RECOMMENDED):

If City Council wishes to reduce the amount of funding required to be taken from the Council Priorities Fund, or wishes to eliminate the project's budget shortfall altogether, Henkel has provided additional cost-saving measures that could be implemented. **However, these potential modifications shown below are not recommended by**

staff.

#	ITEM	Cost Change
1	Eliminate Synthetic Turf	\$ (23,100)
2	Convert Ice Loop Rails to Dasherboards/Plexiglas	\$ (39,400)
3	Eliminate Canopy Entirely*	\$ (76,000)
4	Eliminate Seating Nook**	\$ (23,400)
5	Eliminate Screening Trellis by Restrooms	\$ (19,700)
6	Reduce Landscaping Plantings by 25%	\$ (11,900)
7	Reduce Paving by 25%	\$ (72,000)
8	Eliminate Festoon Lighting	\$ (2,400)
9	Eliminate All Ice Components	\$ (1,100,000)
10	Eliminate All Water Play Components	\$ (600,000)
Total Construction Contract Cost Change		\$ (1,967,900)

*This amount cannot be combined with savings from extending the metal roof in the staff-recommended modifications list.

**This item requires the Moonstones to be eliminated, but eliminates the additional \$5,000 allowance for benches from the staff-recommended modifications list.

There are two other potential modifications to the project (so far) that staff is evaluating further, but is not yet able to commit to recommending. If changes are warranted, a separate change order would be presented to the City Council for consideration. These two items under further study are:

1. **Converting the pre-cast building panels to a cast-in-place building panel.**
This change may be necessary due to extraordinary long lead times in obtaining pre-cast panels. There could potentially be cost savings to this conversion, but additional costs may be incurred to change the design and address other impacts of this change.
2. **Converting the Chiller to a Self-Contained Chiller Unit.** Staff has been unable to yet obtain further details regarding this type of chiller unit, and further evaluation would need to take place regarding how such a unit would be situated at the site.

Usually, City Council would approve the award and then bring back the contract and bond for approval at a following meeting. This would mean that City Council would have to approve the base bid amount as shown and staff would bring back the change order after the approval of the contract and bond. Some of the change order items will also require discussion and approval with the architect.

To allow the project to move forward and also approve the contract at the reduced rate, staff is proposing that City Council give direction on change order items and then the change order and reduced amount contract and bond would be approved at the next meeting. This will allow for the change order to officially reduce the amount of the contract.

ALTERNATIVES:

1. a) Approve adding Add Alternate #2, PCC Color Band, in the amount of \$14,000.
b) Approve Change Order items, reflecting \$158,900 in contract deductions as recommended by City staff.
c) Approve the non-construction contract changes recommended by City staff, a net decrease of \$74,000 in project expenses.
d) Authorize the use of the available balance of the Council Priorities Fund to cover the shortfall of the project.
e) Bring back the official change order with the contract and bond for approval.
2. a) Delay award of the project to consider the single sheet of ice.
b) Instruct the staff to discuss value engineering opportunities with Graphite Construction Group and bring back to City Council for review.
3. a) Accept the report of bids for the Downtown Plaza Project
b) Direct 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 that to move ahead with this project within 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 City Council members desire to move forward this year to accomplish their vision for this project, it is the recommendation of the City Manager that City Council approve Alternative #1 a-e, as described above.