

**COUNCIL ACTION FORM**

**SUBJECT: 2020/21 & 2021/22 INTELLIGENT TRANSPORTATION SYSTEM PROGRAM (PHASES 1 AND 2)**

**BACKGROUND:**

This program provides for the construction of fiber optic communication and a technology platform for Phases 1 and 2 of the Intelligent Transportation Systems (ITS) Master Plan. The project will modernize the traffic signal system by providing a high-bandwidth communication system that will integrate all connected signals. It will allow the City of Ames to leverage technologies such as traffic adaptive and real-time video, while significantly increasing the resolution of transportation data available to the City.

Because a project funding source includes Iowa Department of Transportation (DOT) Iowa Clean Air Attainment Program (ICAAP) funds, the project must follow Iowa DOT development policies and be let by the Iowa DOT. On June 21, 2022, bids for the project were received as follows:

Bidder	Bid Amount
Engineer's Estimate	\$3,195,947.00
Van Maanen Electric, Inc.	\$3,800,582.00
K & W Electric, Inc.	\$5,196,625.00

The table below shows the overall expenses using low bid:

Expenses	Combined
Design	\$397,365
Construction	\$3,800,582
Administration	\$150,000
<b>Total</b>	<b>\$4,347,947</b>

The table below shows the revenues and expenses for this project:

Revenues	FY 20/21	FY 21/22	Combined
Road Use Tax Fund	\$225,820	\$197,600	\$423,420
G.O. Bonds	\$141,900	\$160,400	\$302,300
Accessibility Enhancement*	\$235,100	\$206,000	\$441,100
ICAAP	\$1,176,518	\$1,400,000	\$2,576,518
<b>Total</b>			<b>\$3,743,338</b>

*\*The project will affect several signals needing ADA upgrades. The funds from this program are approximately equally split between Road Use Tax Funds and Local Option Sales Tax.*

The low bid received was approximately \$600,000 over the engineer's estimate for this project. This is due to the pricing volatility of conduit and wiring from the inflation and logistics issues affecting the construction markets.

**This results in a funding shortfall of \$604,609. The Iowa DOT allows bids to be held prior to awarding a contract to the lowest responsive bidder within 30 days of the letting or rejecting of all bids. Therefore, staff will explore alternatives to make up for this funding shortfall and return those options to City Council at a later date.**

**ALTERNATIVES:**

1. a. Accept the report of bids for the 2020/21 & 2021/22 Intelligent Transportation System Program (Phases 1 and 2).  
b. Approve the final plans and specifications for this project.  
c. Delay award until a future date within 30-days of the Iowa DOT letting date (06-21-22).
2. a. Accept the report of bids for the 2020/21 & 2021/22 Intelligent Transportation System Program (Phases 1 and 2).  
b. Reject award and direct staff to modify the project for a future Iowa DOT bid letting.
3. Do not proceed with the project at this time.

**MANAGER'S RECOMMENDED ACTION:**

Given the state of the current construction market, it is unlikely to achieve lower bid prices by re-bidding the project. Also, a reduction in scope will likely come with a reduction in ICAAP funds given the scope of the project at the time the two grants were approved. Therefore, staff will analyze alternatives and report back to City Council with a recommendation.

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