

ITEM#: 26
 DATE: 01-10-23
 DEPT: PW

COUNCIL ACTION FORM

SUBJECT: NORTH SUNSET RIDGE SANITARY SEWER (798 N. 500th AVENUE)

BACKGROUND:

City Council approved a contract rezoning agreement for adoption of the Master Plan for North Sunset Ridge Subdivision (798 N. 500th Avenue) on July 26, 2022. It will be necessary to construct an oversized 12” sanitary sewer through the North Sunset Ridge Subdivision to serve the land to the west that is designated for future growth in Ames Growth Plan 2040.

The contract rezoning agreement includes a cost sharing provision for this sewer where the developer paid for the project design and will pay for a proportionate share of the construction based upon the equivalent costs of a standard 8” sanitary sewer. The remaining construction expenses are considered “oversizing” costs for the City and will be financed through by American Rescue Plan Act (ARPA) funds.

The project will consist of the installation of 3,500 linear feet of 12” sanitary main. Due to parts of the sanitary sewer line (approx. 340 linear feet) being placed on a parcel in the county, staff has been working with Story County to obtain a conditional use permit as required by the County’s land development (zoning) codes. Following receipt of construction bids, Ames and Story County staff walked the site again on December 28 to determine tree removal needs if the sewer were to be directional drilled.

Story County has issued the conditional use permit with no tree mitigation requirement due to an “insignificant modifications” determination. This determination is a result of less than 15% of the natural area to be impacted. **Bid Alternate A was included in the plans and specifications for directional drilling under the majority of the trees, however, some trees will be selectively removed to access the main trunk sewer for manhole placement at the connection point.**

On December 14, 2022, the bids for the project were received as follows:

Bidder	Base Bid	Alternate A	Total Bid
<i>Engineer’s Estimate</i>	\$ 730,220.00	\$ 31,689.00	\$ 761,909.00
Rognes Corp.	\$ 888,216.50	\$ 52,828.00	\$ 941,044.50
Keller Excavating	\$ 987,710.00	\$ 38,155.90	\$1,025,865.90
Vanderpool Construction Inc.	\$1,048,337.00	\$ 36,136.00	\$1,084,473.00
On Track Construction, LLC	\$1,064,939.00	\$ 9,235.00	\$1,074,174.00
Synergy Contracting, LLC	\$1,086,934.00	\$ 26,738.00	\$1,113,672.00
J&K Contracting	\$1,442,400.00	\$ (27,219.25)	\$1,415,180.75

One bid submitted was declared nonresponsive, because the price for Alternate A was not included in the proposal form. **Staff has reviewed the bids and determined that apparent low bid from Rognes Corp. is acceptable.** Although the bid exceeds the Engineer’s Estimate, the bid is consistent with construction cost increases experienced with other projects in recent months. **Considering the impact to existing trees and tree mitigation requirements of a conditional use permit, staff recommends awarding both the Base Bid and Alternate A.**

A summary of revenue and expenses is shown below:

	Available Revenue	Estimated Expenses
Hunziker Development Funds (per Agreement)	\$ 604,725	
ARPA	1,065,000	
Construction (this project) – Base Bid		\$ 888,216.50
Construction (this project) – Bid Alternate		52,828.00
Construction Contingency		100,000.00
Engineering/Administration		94,000.00
Total	\$ 1,669,725	\$ 1,135,044.50

The bid amount will allow the City to complete this project with the developer contribution amount plus only \$530,319.50 in ARPA funds (out of \$1,065,000 in ARPA funds available). The remaining ARPA funds (\$534,680.50) will be re-assigned to other CIP projects that were budgeted under the Growth Plan 2040 Water and Sanitary Sewer programs. Additional ARPA projects are in the design phase with bids anticipated to be received in 2023.

ALTERNATIVES:

1. a. Accept the report of bids for the North Sunset Ridge Sanitary Sewer project.
 - b. Approve the final plans and specifications for this project.
 - c. Award the North Sunset Ridge Sanitary Sewer project to Rognes Excavating, LLC of Ames, Iowa, in the amount of \$ 941,044.50
2. Do not proceed with this project.

CITY MANAGER’S RECOMMENDED ACTION:

Accepting the report of bids, approving final plans and specifications, and awarding the construction contract will allow this project to proceed, which will provide the necessary public infrastructure for the proposed development and provide for utility extensions to serve future development. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.