

ITEM #:	39
DATE:	09-23-25
DEPT:	PW

COUNCIL ACTION FORM

SUBJECT: **CONTRACT WITH STORY CONSTRUCTION FOR CONSTRUCTION
MANAGEMENT SERVICES FOR RESOURCE RECOVERY AND RECYCLING
CAMPUS**

BACKGROUND:

At the special City Council meeting on September 3, 2025, the City Council approved a change order to HDR Engineering, Inc. of Omaha, NE for final design and construction engineering services for the Resource Recovery and Recycling Campus (R3C). This action kicks off final design development activities for the project.

Due to the complexity of the project, City staff anticipates the need for an advisor during the design phase to assist in cost estimating and control, and full-time project representation on site during construction. These types of services are provided in the form of a Construction Manager as Advisor (CMA). **The CMA is retained during the design phase and acts as an extension of City staff. The CMA provides insight into cost estimating, scheduling, constructability reviews, phasing, bid package development, and contractor selection.**

In instances where a CMA is not utilized, the project engineer typically handles the full-time on-site project representation during construction. For this project, the engineering agreement negotiated with HDR provides for a limited number of on-site visits, since this work will primarily be handled by the CMA. Therefore, a portion of the CMA costs are offset by the reduction in the engineering contract scope of services.

Additionally, through the use of the CMA, the project will be bid for construction in a number of individual bid packages rather than through a general contractor. The CMA's scope of work includes furnishing a number of items and services that would normally be included in a general contractor's scope, such as dumpsters, portable toilets, safety fencing, etc., as part of the "general conditions" portion of its costs. These costs are charged based on actual expenses incurred.

It is important to note that the CMA does not perform any of the work during the construction phase. The CMA is responsible for the overall logistics, contractor scheduling, worksite coordination, general oversight of the project.

The R3C project includes a significant amount of on-site paving (drive aisles, truck maneuvering areas, parking lots, etc.). The scope of services for HDR includes designing these areas, but oversight of the paving installation is not included in the CMA's scope of services. Instead, this work will be inspected in-house by Public Works staff, thereby reducing the scope and cost of the CMA's work.

A Request for Proposal was issued for Construction Management Services for Resource Recovery and Recycling Campus on July 17, 2025, through AmesBids, the City's electronic bidding system. One response was received on August 7, 2025. The ranking and cost for the

in the table below.

Consultants	Evaluation Rank	Proposed Cost
Story Construction Co., Ames, IA	1	\$801,640

An evaluation team reviewed the proposal based on: 1) Experience of the firm and individual team members with providing construction management services, 2) Experience with industrial processing or manufacturing facility construction, experience with similar size and types of projects, and project references, 3) Team approach to pre-construction services (value engineering, estimating, design & constructability reviews) and construction services, 4) Knowledge of the public sector construction market in Iowa, 5) Organization, clarity, completeness and responsiveness to RFP, and 6) cost proposal.

The evaluation team met with the Story Construction Co. (Story) team to discuss the process, the unique features of this project and their experience in industrial processing projects. Following the meeting, the team determined the proposal from Story is acceptable. With Story demonstrating its regional and local experience in Construction Manager as Advisor and their industrial processing experience, the evaluation team believes Story will provide the necessary services to assist the City in the construction of the Resource Recovery and Recycling Center.

Story's fee proposal is \$801,640, which consists of a base fee of \$201,600, a preconstruction services fee of \$40,000, and construction phase services of \$560,040. Separately, Story will provide general conditions services (e.g., snow removal, fencing, portable toilets, etc.) during construction. These costs will be charged as a pass-through to the City at no markup. Payments for general conditions will be based on actual services provided by Story.

The City Council may recall that Story is the CMA for the Fitch Family Indoor Aquatic Center project. In that project, the City and Story agreed to the pre-construction services and base fees. Then, once the bidding process took place for the construction contracts and the scope became clearer, the City and Story approved a large change order to cover the costs related to the general conditions during construction.

For the R3C project, the evaluation team instead requested that Story include an up-front estimate of the cost of the general conditions that would be needed during the construction phase. The purpose of this approach is to have a clearer understanding of CMA costs and their effect on the project budget earlier, which will assist in project planning. Under this approach, future change orders to Story for additional costs are likely to be smaller in scale, if needed at all.

Story's estimate for the general conditions is \$448,000. Combined with the construction manager fee of \$801,640, the contract amount with Story Construction totals \$1,249,640.

On April 28, 2025, the City Council adopted a resolution declaring the intent to reimburse expenses associated with the construction of the Resource Recovery and Recycling Campus Project and allowing the City to incur expenses with the potential for future reimbursement

through a bond issuance. Therefore, the funding for this CMA contract will be taken from the fund balance and reimbursed once bonds are issued.

The project budget is outlined in the table below.

Project Revenues		Project Expenses	
Revenue Abated G.O. Bonds	\$16,778,075	Land Acquisition (220, 306, 312, 318, 400 Freel Drive)	\$1,077,500
		Due Diligence prior to closing	15,465
		Conceptual Design and Financial Modeling	50,000
		Final Design	965,715
		<i>Final Design Contingency</i>	<i>124,785</i>
		<i>Permitting (est.)</i>	<i>50,000</i>
		<i>Opinion of Probable Construction Costs for R3C Facility</i>	<i>9,019,000</i>
		<i>Construction Contingency</i>	<i>1,435,020</i>
		<i>Construction Inspection (est.)</i>	<i>450,950</i>
		Construction Manager Fee (This Council Action)	801,640
		Construction Manager General Conditions Costs (est.) (This Council Action)	448,000
		<i>Mobile Equipment (transfer trucks and trailers)</i>	<i>2,340,000</i>
Total Revenues	\$16,778,075	Total	\$16,778,075

ALTERNATIVES:

1. Award a contract to Story Construction Co. of Ames, IA in the amount of \$1,249,640 for Construction Manager as Advisor services for the Resource Recovery and Recycling Campus project.
2. Direct staff to make changes to the contract.

CITY MANAGER'S RECOMMENDED ACTION:

The CMA will serve as an extension of City staff in during the design, bidding, and construction phases of the project. **The CMA will assist the City in schedule, coordination, budgeting, and value engineering on the project in an effort to ensure the project is completed on time and within budget.** Therefore it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[CMA-501-Agmnt-btw-Owner-and-CM-as-Advisor Final.docx](#)