

ITEM #:	41
DATE:	07-14-26
DEPT:	PW

COUNCIL ACTION FORM

**SUBJECT: RESOURCE RECOVERY AND RECYCLING CAMPUS CONSTRUCTION -
CHANGE ORDER**

BACKGROUND:

On March 24, 2026, the City Council approved final plans and specifications and awarded contracts for the construction of the Resource Recovery and Recycling Campus (R3C). At that meeting, 11 separate bid packages (BPs) were award to various contractors. Ten change orders have been approved for the various bid packages to date, with the majority of the changes resulting from the value engineering process that occurred follow bid opening.

City staff indicated to City Council in a memo on May 12, 2026 that unsuitable soil and buried rubble had been uncovered at the R3C site and that a change order would be forthcoming once the scope of work was better defined.

During conceptual and final design efforts a total of 21 soil borings were taken to characterize the existing soil conditions expected on site. Though the soil borings did indicate areas of existing fill on the site, the extent of the unsuitable soils across the 9.5 acres was not readily apparent until construction activities began. The R3C site development work was designed such that in any areas where excavation is necessary, the excess soil could be utilized in areas where fill is necessary to increase the site elevation.

The eastern portion of the site was utilized as a yard waste area for many years prior to the City acquiring the property. **Though the existing yard waste was removed from the site and the site returned to the original elevation, one to two feet of the upper part of the site were compressed through the years and contained partially decomposed yard waste.**

This material was not suitable as fill for the R3C construction because the amount of organic material it contained was too high to use as compacted fill, and testing indicated the decomposition process was too far along for the material to provide value as compost.

Staff and Story Construction were able to identify two locations within three miles that would accept the material as cover at no cost. For each cubic yard of material that was trucked off the site, an equal amount of suitable fill material was required to be imported. Con-Struct was able to import material from stockpiles that were adjacent to the project site.

In total, 490 loads, or approximately 7,350 cubic yards of unsuitable material were removed and replaced at a cost of \$136,051. This equals a unit cost of \$18.51 per cubic yard. This unit cost is in alignment with recent bid costs in other Public Works projects that range from \$15 to \$30 per cubic yard for similar work.

Additionally, other areas of the site had been filled in by previous owners over the course of their ownership. Pockets of large buried concrete rubble, debris, and other material that would be best classified as garbage were encountered during excavation. The debris and garbage materials were removed and disposed of at the landfill.

The concrete rubble was not suitable for recycling due to the amount of dirt contamination. Rather than haul away the concrete rubble, it was moved to one of the storm water detention areas and buried a minimum of 6 feet below the bottom of the stormwater detention area. This area is outside of any future potential expansion of the R3C site. The excess material from the excavation was necessary for the additional fill during site development activities. **The cost of this work was \$24,800.**

Change Order No. 2 to Con-Struct, Inc of Ames, IA in the amount of \$160,851 (\$136,051 + \$24,800) is the combination of two work activities noted above. Revenue for this change order will come from the project contingency fund which currently has \$582,358.

A summary of awarded project contracts and proposed change orders is below:

BID PACKAGE	CONTRACTOR	AS BID AMOUNT	PREVIOUSLY APPROVED CHANGE ORDERS	PROPOSED CHANGE ORDER	REVISED CONTRACT TOTALS
01-1 – General Construction Work	RH Grabau Construction, Inc., Boone, IA	\$1,601,000	(\$126,538)		\$1,474,462
03-1 – Concrete and Steel Work	Jensen Builders, Ltd., Des Moines, IA	\$4,675,500	(\$174,948.97)		\$4,500,551.03
09-1 – Gypsum Board Assembly Work	Heartland Finishes, Inc., Des Moines, IA	\$430,675	(\$30,000)		\$400,675
14-1 – Elevator/Lift Work	TK Elevator Corporation, Urbandale, IA	\$109,800	--		\$109,800
21-1 – Fire Suppression Systems Work	Tri-City Fire Protection LLC, Davenport, IA	\$169,284	--		\$169,284
22-1 – Plumbing & HVAC Work	ACI Mechanical, Inc., Ames, IA	\$1,180,000	--		\$1,180,000
26-1 – Electrical, Communications, & Electronic Safety and Security Work	Enterprise Electric, Inc., Boone, IA	\$1,329,000	(\$50,970)		\$1,278,030

31-1 – Site Demolition & Earthwork	Con-Struct, Inc., Ames, IA	\$575,000	\$57,717	\$160,851 (this Council action)	\$793,568
32-1 – Paving & Sidewalk Work	Lakeside Contractors, LLC, Ames, IA	\$1,028,129	(\$16,410)		\$1,011,719
33-1 – Site Utility Work	On Track Construction LLC, Nevada, IA	\$723,370	(\$31,695)		\$691,675
40-1 – Millwright/Process Integration Work	RRT Design & Construction, Melville, NY	\$7,798,009	(\$1,254,926)		\$6,543,083
ORIGINAL BID TOTAL		\$19,619,767			
SUM OF CHANGE ORDERS			(\$1,627,770.97)	\$160,851	
REVISED CONTRACT TOTAL					\$18,152,847.03

A revised project budget is provided below:

Budgeted Revenues		Budgeted Expenses	
Revenue Abated G.O. Bonds	\$22,006,730	Land Acquisition (220, 306, 312, 318, 400 Freel Drive)	\$1,077,500
Fleet Services Reserve Fund	425,000	Due Diligence prior to closing	15,465
FY 2025/26 Stormwater Quality Improvements CIP	159,077	Conceptual Design and Financial Modeling	50,000
Electric Services Rebate	3,000	Final Design	965,715
Solid Waste Alternatives Program (SWAP) Grants	100,000	Final Design Contingency	75,000
		Permitting	38,000
		Construction Contracts (as bid)	\$19,619,767
		Previously approved change orders	(1,627,770.97)
		Proposed Change Order #2 (this Council Action)	160,851
		Construction Incentives	100,000
		Items by Owner (FFE/Cameras/Fiber Network/Tree Clearing)	266,600
		Construction Contingency (revised)	421,507

		Construction Inspection (est)	75,000
		Construction Manager Fee (Fixed fees plus 2.25% of contract amounts) (revised)	956,479
		Construction Manager General Conditions Costs (est.)	<u>448,000</u>
R3C Construction Revenue Subtotal	\$22,693,807	R3C Construction Subtotal	\$22,642,113.03
Electric Utility Fund	\$2,340,000	Mobile Equipment (transfer trucks and trailers)	\$2,340,000
G.O. Bonds	\$975,000		
Unobligated G.O. Bonds	225,000		
Water Utility Fund	40,000	Freel Drive Paving (as bid + contract admin)	\$1,102,310
Total Project Revenues	\$26,273,807	Total Project Expenses	\$26,066,904.03

ALTERNATIVES:

1. Approve Change Order No. 2 to Con-Struct, Inc of Ames, IA, in the amount of \$160,851.
2. Do not approve the change order and direct staff to make other modifications to the project.

CITY MANAGER'S RECOMMENDED ACTION:

A portion of the the soils encountered onsite during excavation did not meet project specifications to support construction of the R3C. Staff has worked closely with the contractor to identify these locations and has implemented cost effective solutions while keeping the overall project in alignment with the schedule necessary to begin operations at the R3C before July 1, 2027. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative 1, as described above.