



COMMUNITY DEVELOPMENT

To: Mayor and City Council
From: Charlie E. Dissell, Community and Economic Development Director
CC: Ryan Waller, City Manager
Date: April 15, 2021
Re: Public hearing on the plans, specifications, form of contract and estimate of cost for the City Square Reconstruction Project (Streetscape project).
Resolution approving the plans, specifications, form of contract and estimate of cost for the City Square Reconstruction Project (Streetscape project).
Resolution awarding a contract for the City Square Reconstruction Project (Streetscape project).

Public hearing on the plans, specifications, form of contract and estimate of cost for the City Square Reconstruction Project (Streetscape project).

At its meeting on March 23, 2021, the City Council set a public hearing and letting date for the City Square Reconstruction Project, which is more commonly referred to as the Streetscape project. As the City Council is aware, the City contracted with Bolton and Menk, who have prepared plans, specifications, form of contract and estimate of cost for the City Square Reconstruction Project. Staff recommends opening the public hearing; receiving comments; and closing the public hearing.

Resolution approving the plans, specifications, form of contract and estimate of cost for the City Square Reconstruction Project (Streetscape project).

The engineering consultant, Bolton and Menk, Inc. has prepared the plans and specifications for the City Square Reconstruction Project. The scope of work for this project involves:

- Division 1 construction (general Streetscape improvements) includes approximately 19500 square yards (SY) of pavement removal, 4835 SY of sidewalk removal, 3175 SY of 7" P.C.C. pavement, 8150 SY of 8" PCC pavement, 240 SY of 8" colored concrete, 5610 SY of permeable interlocking pavers, 5200 SY of subgrade preparation, 19500 SY of modified subbase, 610 SY of 6" driveway pavement, 5700 SY of sidewalk pavement, 815 Linear Feet (LF) of sanitary sewer main, 5 sanitary sewer manhole replacements, 1975 LF of 8" watermain and fittings, 2300 LF of 15- inch storm sewer, 450 LF of 24-inch storm sewer, 400 LF of 36-inch storm sewer, 3900 LF of 6" subdrain, 18 storm sewer manholes, 32 drainage structures, miscellaneous grading, streetscape elements, survey, traffic control, and other associated work.

- Division 2 construction (Buxton/92 signal and Post Office mailboxes) consists of traffic control revisions at the intersection of Buxton Street and 1st Avenue and Highway 92 and Buxton Street. Construction includes curb and driveway removal, revising traffic signal at Highway 92 and Buxton Street, pavement markings, and other associated work.

Due to the size and number of pages of the plans and specifications, they are not included in the application packet. However, these plans and specifications are on file in both the City Clerk's Office and the office of the Community Development Department. The specifications manual includes the form of contract. The estimate of cost from March 22, 2021 is attached. This project has a completion date of November 2023 and it must be substantially completed before October 30, 2023.

The engineering estimated cost for Division 1 is \$6,848,905.10, for Division 2 is \$28,860.00 and the entire project is \$6,877,765.10. The project also included a bid alternate with an engineering estimated cost of \$592,685.00. Additionally, the City estimates \$681,000 in associated engineering costs for this project, as well as \$200,000 of streetlight costs that will be purchased by Indianola Municipal Utilities and reimbursed by the City.

Resolution awarding a contract for the City Square Reconstruction Project (Streetscape project).

The City Square Reconstruction Project was advertised, and bids were received and publicly read on April 14, 2021. One bid was received by Absolute Concrete Inc., for a total amount of \$9,645,509.80. This amount included a Division 1 cost of \$9,613,324.80 and a Division 2 cost of \$32,185.00. The bid alternate cost was \$661,915.00. The bid letting tabulation is attached.

As the Council is aware, this project included different areas of funding. On November 9, 2020, the City Council approved the issuance of \$4,700,000 in bonds, with an interest rate under 1%, for the City Square Reconstruction Project. Additionally, the City was awarded \$1,706,000 in Sponsored Project funding from the Iowa Environmental Protection Commission as part of the fiscal year 2021 Clean Water State Revolving Fund (SRF). Lastly, as the project includes much needed utility upgrades of water and sanitary sewer, those associated costs are to be paid for by the respective utility.

It should be noted that, with the bid that was received for the project on April 14, the amount of SRF eligible funds increased, but is still within the total award amount of \$1,706,000. Sanitary Sewer utility costs increased by \$471,650 and water utility costs increased by \$48,515. The bid funding breakdown is attached. With those costs removed, and with the bond note applied, there are \$2,863,094.80 in remaining costs. As of the writing of this memo, Bolton and Menk is still analyzing the bid tabulations to get a better understanding of where the cost differences are, and what the reasoning is for those differences. Bolton and Menk will be available at your April 19 meeting to present their analysis. However, a preliminary review noted some of the larger increases were attributed to a \$694,000 difference in monument

costs, a \$522,000 difference in mobilization costs, and a \$471,650 difference in sanitary sewer costs.

The following are four options available to Council regarding the City Square Reconstruction Project:

Option	Pros	Cons
Rebid Project at Later Date (Rejecting Bid)	<ul style="list-style-type: none"> • May get lower bids 	<ul style="list-style-type: none"> • Extended disruption to Square and Business Owners • Bids <u>may</u> come in at same amount or higher due to inflation • Project would not be done around same time as Justice Center • Total duration of construction on the Square increased
Rely on Funding from American Rescue Plan (Awarding Contract)	<ul style="list-style-type: none"> • Estimated to be receiving \$2.2M from federal government • Streetscape project is helping local economy recovery 	<ul style="list-style-type: none"> • Most likely be more restrictive • Guidance not out until May • Lots of unknowns until guidance is received • Received in two amounts • State can delay issuance • Cannot do other projects with this funding
Use LOSST Funding to Make up Difference (Awarding Contract)	<ul style="list-style-type: none"> • By the end of Fiscal year 2021, it is estimated the City will have \$6.4M on hand in LOSST funds • Would not interfere Wastewater Treatment Plant Construction payments requirements • Complies with authorization of eligible spending for LOSST • Less restrictive in terms of project management • No impact to rates • No impact to property taxes 	<ul style="list-style-type: none"> • Less for other construction projects/fund balance
Borrow More/Additional Bond Issuance (Awarding Contract)	<ul style="list-style-type: none"> • Allows other sources to be used for other construction projects • Less restrictive in terms of project management 	<ul style="list-style-type: none"> • Increase Debt Service Levy • May impact property taxes • Could limit borrowing general obligation funds for other projects

Staff recommends not pursuing the bid alternate. Staff further recommends the City Council review and consider the options outlined above regarding the project. I will attend the April 19th Council meeting if you have any questions.