CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

6(g)

DATE: September 21, 2015

ITEM:

- Public Hearing (5:35 p.m.)
Dixie Acres Sanitary Sewer

FINANCIAL IMPACT:

The Engineering Estimate of construction cost was estimated to be $179,807.00 for the Dixie Acres Sanitary Sewer project. There were two (2) bids submitted with the low bid of $236,425.80 being submitted by Synergy Contracting, LLC. Payments will be made from budgeted account no. 8110.80.440.3.4500 with the ultimate funding intended to come from Sewer Fee Revenues.

BACKGROUND:

This Public Hearing is on the matter of adoption of Plans, Specifications, Form of Contract and Estimate of Cost for the Dixie Acres Sanitary Sewer project. Upon completion of the Public Hearing, a Resolution should be passed adopting the Plans and Specifications, Form of Contract, Estimate of Cost and Awarding the contract to Synergy Contracting, LLC. Staff, the consultant and Synergy Contracting, LLC are currently in the process to determine if value engineering can be applied to this project to decrease the cost of construction.

This project is scheduled to be completed by May 1, 2016.

OUTSTANDING ISSUES: None.

RECOMMENDATION:

City Council Adopt:
- Resolution Adopting Plans, Specifications, Form of Contract, and Estimate of Costs;
- Motion receiving and filing Report of Bids;
- Resolution awarding the construction contract to Synergy Contracting, LLC.

Lead Staff Member: Duane C. Wittstock, P.E., L.S., City Engineer

STAFF REVIEWS

Department Director	Duane C. Wittstock, City Engineer DCW
Appropriations/Finance	Tim Stiles, Finance Director
Legal	Richard Scieszinski, City Attorney
Agenda Acceptance	RTG

PUBLICATION(S) (if applicable)

Published In	Des Moines Register
Dates(s) Published	August 14, 2015

SUBCOMMITTEE REVIEW (if applicable)

Committee	Public Works		
Date Reviewed	September 14, 2015		
Recommendation	Yes	No	Split

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RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, APPROVING Adopting Plans, Specifications, Form of Contract, and Estimate of Cost

WHEREAS, on September 8, 2015 Plans, Specifications, Form of Contract, and Estimate of Cost were filed with the City Clerk for the following described public improvement:

Dixie Acres Sanitary Sewer
Project No. 0510-039-2015

and,

WHEREAS, notice of hearing on Plans, Specifications, Form of Contract, and Estimate of Cost for said public improvements was published as required by law;

therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA, that the Plans, Specifications, Form of Contract, and Estimate of Cost for said public improvement are hereby approved.

PASSED AND ADOPTED this **21st** day of **September, 2015.**

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk

RESOLUTION

WHEREAS, the City Council of the City of West Des Moines has heretofore directed advertisement for bids for the following described public improvement:

Dixie Acres Sanitary Sewer
Project No. 0510-039-2015

and,

WHEREAS, bids have been received and opened by the City Clerk and placed on file by the City Council.

and,

WHEREAS, the bid of Synergy Contracting, LLC of Bondurant, Iowa, in the amount of $236,425.80 is the lowest responsive, responsible bid received for said public improvement,

therefore;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA, that a contract for the Dixie Acres Sanitary Sewer Project is hereby awarded to Synergy Contracting, LLC in the amount of $236,425.80 and the bond of said bidder for the project is hereby fixed in the same amount.

BE IT FURTHER RESOLVED that the City Engineer is authorized and directed to return bid bond(s) and/or check(s) to any unsuccessful bidder.

BE IT FURTHER RESOLVED that the work on said project may commence as soon as the final contract and bond have been approved by the City Engineer and have been signed by the City Clerk and after the contractor is given a written notice to proceed by the City Engineer.

PASSED AND ADOPTED this **21st** day of **September, 2015.**

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk

BID TABULATION
WEST DES MOINES, IOWA
DIXIE ACRES SANITARY SEWER
PROJECT NO. 0510-039-2015

1. Construct the Dixie Acres Sanitary Sewer for the following unit and lump sum prices:				Synergy Contracting, LLC 1120 2nd Street NE Bondurant, Iowa 50035		Raccoon Valley Contractors 520 SE Prairie Park Lane Waukee, Iowa 50263	
ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE
1.	8" Sanitary Sewer in Place	LF	643	$ 136.50	$ 87,769.50	$ 225.00	$ 144,675.00
2.	6" Sewer Service Pipe	LF	264	114.40	30,201.60	25.00	6,600.00
3.	6" Sewer Service Wyes	Ea.	8	195.00	1,560.00	3,700.00	29,600.00
4.	Manhole - Type SW-301-48"	Ea.	3	6,500.00	19,500.00	3,750.00	11,250.00
5.	Connection to Existing Manhole	Ea.	1	3,900.00	3,900.00	2,000.00	2,000.00
6.	7" PCC Pavement	SY	258	84.50	21,801.00	100.00	25,800.00
7.	6" PCC Driveway	SY	185	71.50	13,227.50	80.00	14,800.00
8.	4" PCC Sidewalk	SY	171	58.50	10,003.50	70.00	11,970.00
9.	Temporary Granular Surfacing	Ton	30	45.50	1,365.00	30.00	900.00
10.	Sodding	SQ	220	130.00	28,600.00	90.00	19,800.00
11.	Video Inspection	LF	643	3.90	2,507.70	3.00	1,929.00
12.	Erosion Control	LS	1	xxxxx	7,800.00	xxxxx	6,000.00
13.	Traffic Control	LS	1	xxxxx	3,640.00	xxxxx	4,000.00
14.	Construction Staking	LS	1	xxxxx	4,550.00	xxxxx	4,000.00
			TOTAL BID (Items 1-14)	**$236,425.80**		**$283,324.00**	

BID TABULATION
WEST DES MOINES, IOWA
DIXIE ACRES SANITARY SEWER
PROJECT NO. 0510-039-2015

I hereby certify that this is a true tabulation of bids received on September 16, 2015 by the City of West Des Moines, Iowa.

LICENSED PROFESSIONAL ENGINEER
H. Robert Veenstra Jr.
No. 9037
IOWA

H. Robert Veenstra Jr., P.E.
Iowa License No. 9037
My license renewal date is December 31, 2016

VEENSTRA & KIMM, INC.
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

September 16, 2015

Duane Wittstock
City of West Des Moines
Public Services Dept./Engineering
4200 Mills Civic Parkway
P.O. Box 65320
West Des Moines, Iowa 50265

CITY OF WEST DES MOINES, IOWA
DIXIE ACRES SANITARY SEWER SYSTEM
REVIEW OF BIDS
RECOMMENDATION TO AWARD

The City of West Des Moines received bids until 2:00 P.M. on September 16, 2015 for the Dixie Acres Sanitary Sewer System project. The City of West Des Moines received two bids as follows:

Synergy Contracting, LLC	$236,425.80
Raccoon Valley Contractors, LLC	$283,324.00

The low bid was submitted by Synergy Contracting, LLC in the amount of $236,425.80.

The engineer's estimate of cost for construction of the project was $179,807. The low bid by Synergy Contracting, LLC was $56,618.80 over the engineer's estimate of cost

The project was bid with a November 30, 2015 completion date. The schedule was developed to complete the project before the onset of winter conditions. Based on the nature of the construction the options were to complete the project before the onset of winter conditions, or to defer the construction until the spring of 2016.

One of the property owner's along 54th Street has a failed onsite treatment system. The property owner is desiring to sell the property, but cannot due so due to the condition of the onsite treatment system. The property owner is not allowed to update or replace the onsite treatment system due to its location in relationship to the existing sanitary sewer system. The project was bid for a fall 2015 completion date to facilitate the property owner's ability to sell the property in the near future.

In bidding the project for fall completion it was recognized the bidding climate at the present time is less than desirable. Due to the rainy conditions that have been experienced during the summer months many contractors working on sanitary sewer projects have fallen behind and will not be able to complete their existing obligations in the fall of 2015. The combination of the aggressive completion schedule and the limited number of contractors that could complete the project there was a relatively high risk the project would exceed the project budget that was established in the spring of 2015 at the time the connection fee district was developed.

The connection fee for the Dixie Acres Sanitary Sewer System project is $28,063 per lot. The eight properties will generate revenue of $224,504.

Based on the low bid received the estimated cost for the project is as follows:

Description	Extended Price
Estimated construction cost	$236,425.80
Basic services - connection fee establishment	3,700.00
Basic service - design services	8,400.00
Resident consultant services	7,000.00
Title certificates	1,800.00
Temporary easements	1,420.00
Permanent easements	10,660.00
Right-of-way agent (estimated)	700.00
	$270,105.80

Based on the bid received from Synergy Contracting, LLC the total cost of the project would exceed the potential connection fee district revenue by $45,605.80.

The actual connection fees that will be paid will eventually exceed $224,500 as most property owner's will not pay the fee until a future date when the connection fee will have been indexed to a higher number due to the annual adjustment of the fee.

The original design for the Dixie Acres Sanitary Sewer System project is based on extending service lines across 54th Street to the four residences located on the east side of the street. The original design is based on open cut construction with pavement replacement on 54th Street.

After the bid opening Synergy Contracting, LLC indicated an interest in directionally boring the 8-inch sanitary sewer and the four service lines across the street to avoid the pavement replacement. Synergy Contracting, LLC has indicated the savings from this change would be in the range of $40,000 to $45,000.

If the grade of the sewer there is some risk to directionally boring as it is more difficult to hold the grade with the directional boring procedure. However, boring is generally considered suitable if the slope of the sewer is at least 1.00%. At 1.00% or greater the slope of the sewer is enough to offset any minor grade deviations. For the Dixie Acres Sanitary Sewer the slope is greater than 1.00% and boring would be considered a suitable alternative.

There is a significant cost savings from boring the sewer and sewer services in place. In addition the tunneling would decrease the inconvenience to the neighborhood as it would not be necessary to remove and replace the driveways and sidewalks and to have four separate small street closures on 54th Street to accommodate the service line construction to the residences on the east side. If the City were to elect this option the cost for the construction contract would decrease by $40,000 to $45,000. With the boring alternative the project cost will be very close to the projected connection fee revenue generated in the District.

The approaches available for the City are to award the contract based on the bids received on September 16, 2015, or to reject all bids and rebid the project for construction in the spring or summer of 2016. The option to reject bids and rebid for construction in the fall or winter of 2015 is not viable. With the type of construction required in the project winter construction is not realistic. It is not anticipated immediate rebidding of the project is not likely to attract any additional bidders. If the project were immediately rebid the likelihood of a lower bid is relatively small and the likelihood of a higher bid is much greater.

It is quite possible the City could bid the project for 2016 construction and receive more favorable bids if the number of bidders were to increase. However, deferring the project to a more competitive market would delay the completion of the project and have a noticeable impact on the property owner that is currently desiring to sell their property, but is unable to do so due to the condition of their onsite treatment system.

The two choices for the bids are to award contract recognizing the City may not recover all of the project cost from the connection fee revenue, or to reject all bids and rebid for 2016 construction. This choice will impact the property owner desiring to sell their property in the near future. Rebidding in 2016 is likely to reduce the project costs, but there is not a certainty it would reduce the cost enough to be bring the project completely within the connection fee revenue. The writer would recommend the City award contract to Synergy Contracting, LLC based on the bid received on September 16, 2015 with the understanding the directional boring will be incorporated by change order to be signed by the contractor concurrently with the contract.

If you have any questions or comments concerning the project, please contact the writer at 225-8000.

VEENSTRA & KIMM, INC.

H. R. Veenstra Jr.

HRVJr:pjh
102204

THE CITY OF WEST DES MOINES

DEPARTMENT OF ENGINEERING SERVICES
4200 MILLS CIVIC PARKWAY (515) 222-3620
WEST DES MOINES, IOWA 50265
FAX NO. (515) 273-0602

PROJECT:	**Dixie Acres Sanitary Sewer** **Project No. 0510-039-2015**
LOCATION:	**Dixie Acres Plat 1 (54th & Ashworth)**

DRAWN BY: JMS	DATE: 09/08/15	SHT. 1 OF 1