

**OFFICE OF THE CITY MANAGER
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-437
OCTOBER 7, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
EQUITABLE OF IOWA SKYWALK BRIDGE 8E-9E; 9TH AND LOCUST PARKING GARAGE SKYWALK CONNECTION	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES THOMPSON TRAFFIC AND TRANSPORTATION DIRECTOR

SYNOPSIS —

A contract with Graham Construction Company, for the construction of the Skywalk Connection at the 9th and Locust Parking Garage, has been negotiated.

FISCAL IMPACT —

Funds for the contract amount, not to exceed \$39,192, are available for the construction of the Skywalk Connection, and are contained in the 1996/97-2001/02 Capital Improvement Program on page 291, Downtown Skywalk System, Account 389445. There are carryover funds from the previous bond issue in an amount sufficient to cover this contract.

RECOMMENDATION —

Approval.

BACKGROUND —

On July 10, 1995, by Roll Call No. 95-2658, Council approved a development agreement between the City of Des Moines and The Graham Group, Inc., for the redevelopment of the block between 9th and 10th Streets from Grand to Locust, for a new home office facility for Equitable of Iowa Companies, Inc. This agreement required Graham to enter into a standard Skywalk Agreement for the construction of Skywalk Bridge 8E-9E across 9th Street and to provide certain Skywalk Corridors.

On October 2, 1995, by Roll Call No. 95-3804, Council approved the Skywalk Agreement for the construction of the Skywalk Bridge. This standard agreement provided that the City would be responsible for the design and construction of the Skywalk Bridge.

Subsequently, an amendment to the Skywalk Agreement with The Graham Group, Inc., was negotiated to allow them to design and construct Skywalk Bridge 8E-9E. This amendment was beneficial to the City and to The Graham Group, Inc., from the standpoint of cost savings and from the standpoint of coordination of the design and construction of the Skywalk Bridge with the design and construction of the new office building.

On January 2, 1996, by Roll Call No. 96-332, Council approved the amendment to the Skywalk Agreement which allows The Graham Group, Inc., to design and construct the Skywalk Bridge. The terms of the agreement provide for the City to pay the normal City costs for design and construction up to maximum costs of \$62,525 for design, \$17,235 for inspection services, and \$396,904 for construction. These costs are based upon the average Skywalk Bridge design and construction to date and are the same that were allowed Employers Mutual as a part of their agreement. This method of Skywalk construction has been accomplished many times during the development of the system to date—most recently with the Employers Mutual project.

Based upon this agreement, the Graham Group, Inc., selected and entered into an agreement with Herbert Lewis Kruse Blunck, the architectural firm that designed the office expansion, to undertake the design of the Skywalk Bridge, including the structural connections at each end. The Graham Group, Inc., through Graham Construction Company, has undertaken the construction of their entire project, including the Skywalk Bridge.

This project is within an urban renewal area and is to be funded with tax increment financing. As such, the Legal Department has determined that it is not a public improvement under the requirements of Iowa Code Section 384.95 and 384.96, and that the City would be allowed to negotiate a contract for the construction of the improvement, rather than secure construction through the competitive bid process.

Based on this opinion, and the fact that Graham Construction Company is constructing the Skywalk Bridge and the Equitable of Iowa project, staff has determined that it would be in the best interest of the City to negotiate a contract with Graham Construction Company for the construction of the 9th and Locust Garage connection. Having the same design/build team working on both the connection and the Skywalk Bridge will avoid the potential for conflicts during construction, and will make it much easier to resolve design or construction deficiencies which may come to light after construction is completed. Economic savings can be realized by utilizing the contractor that is on site.

Staff has negotiated such a contract. The contract provides that Graham Construction Company will undertake the construction of the connection to the 9th and Locust Parking Garage in accordance with the plans prepared by Herbert Lewis Kruse Blunck and standard City specifications. The contract further provides that Graham shall execute the work with their own forces or shall obtain bids, to be approved by the City, for various subcontractors for work not performed by Graham's own forces, and that the project shall be completed at a total cost not to exceed \$39,192. The project shall be completed and turned over to the City ready for occupancy in conjunction with the completion schedule for the Equitable of Iowa project no later than August 31, 1997.