

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

98-454

SYNOPSIS —

**AGENDA:
OCTOBER 5, 1998**

On September 29, 1998, the City received bids for the 1998 Flood Storm Sewer Repair Contract 1. Bids were received from three bidders with the low bid from Van Hauen and Associates being 95 percent over the engineer's estimate. This report explains staff's recommendation to accept this bid.

SUBJECT:

**1998 FLOOD STORM
SEWER REPAIR
CONTRACT 1**

FISCAL IMPACT -

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

The low bid received was for \$160,000. Previously \$69,581 has been approved as reimbursable by the Federal Emergency Management Agency (FEMA) and the State Emergency Management Agency. Funding in the amount of \$90,419 would be provided from Storm Water Utility Emergency Repairs, Capital Improvements Program (CIP), Index Code 366260. However, after discussion with FEMA, staff anticipates receiving up to 85 percent of the final construction cost.

SUBMITTED BY:

**HAROLD E. SMITH,
P. E.
CITY ENGINEER**

RECOMMENDATION -

Designating Van Hauen and Associates as lowest responsible, responsive bidder.

BACKGROUND -

The 1998 Flood Storm Sewer Repair Contract 1 project is a project composed of nine individual small sites which were damaged by the heavy rain which occurred on June 18, 1998. These storm sewer repairs were bid by private contractors since the Public Works Department is too busy to do these repairs.

These sites have all been approved as eligible for restoration under FEMA's Public Assistance Program. The original estimates for these repairs were made by staff following FEMA guidelines and were based on average unit prices. However, because all of these sites are difficult to access with large construction equipment and most of the sites deal with small quantities, the unit bid prices are much higher than anticipated. Another item which contributes to the high unit prices is the fact that FEMA does not recognize mobilization cost as a separate bid item. Therefore, contractors are forced to include their mobilization costs in individual bid items.

Staff recommends acceptance of these bids since three bids were received, all within 9 percent of each other; and after analysis, staff does not believe that rebidding this would result in any cost savings to the City.

The individual work sites identified on this bid represent a consolidation of FEMA "small projects." The Stafford Act (FEMA Public Assistance Program) provides for a small project grant which is a simplified procedure designed to speed payment of disaster assistance funds to applicants when the cost of a project(s) is below a specified threshold. For this disaster, that threshold is \$47,100.

FEMA has further initiated a process whereby a number of different approved small project sites (below \$47,100 in cost) are consolidated on a single Disaster Survey Report (DSR). FEMA's review process approved a total estimated cost of \$81,860 for restoration work at all sites included on these projects (DSR 14272 and DSR 14273). Of this amount, 15 percent (\$12,279) would be borne by the City with the balance funded by FEMA (75 percent) and the State of Iowa (10 percent). In the event that the initial cost estimate proves to be too low (as is the case with this bid), there is a process whereby the City can apply for, and receive, additional federal/state funding to cover increased costs not addressed in the initial FEMA project cost estimate(s).

The City will be compiling all small project costs associated with the 1998 windstorm and flooding event and applying to FEMA for additional federal and state funding to offset any allowable difference between the approved project estimate and actual project costs incurred. That request for additional funding will be made once all small projects are complete and the City certifies final costs for all disaster-related

expenses. We anticipate receipt of the proportional share of additional FEMA and State Emergency Management Agency funding (85 percent) at that time.

[[Council Members](#) | [Leave a Message](#) | [Meeting Agendas/Info](#) | [Recent Ordinances](#)]
[[Board/Commision List](#) | [Meeting Schedule](#) | [Request to Speak](#) | [Election/Voter Reg](#)]