



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

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

**99-018**

**SYNOPSIS -**

**AGENDA:**

JANUARY 25, 1999

**SUBJECT:**

FUNDING FOR  
EQUIPMENT  
MAINTENANCE  
CENTER  
RENOVATION AND  
CAR WASH  
CONTRACT

On January 4, 1999, the City Council deferred consideration of the Equipment Maintenance Center Renovation and Car Wash contract until the 1999/2000 Capital Improvements Program (CIP) Budget has been approved. The funding for this project included approximately \$300,000 of General Obligation (GO) Bonds available in 1998/1999, and approximately \$90,000 in GO Bonds which are proposed in the 1999/2000 Budget. Staff has reviewed the funding of this project, investigated other funding sources, re-examined the scope of this project, and now recommends to the City Council that the contract be awarded with the base bid plus Add-Alternates No. 1 and No. 2, in the total contract amount of \$362,731. Sufficient funding is available in the adopted CIP as stated below.

**TYPE:**

**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**FISCAL IMPACT -**

As shown on the Council Fact Sheet, \$361,478 is available in the 1998/1999 CIP under Index Code 341040, Equipment Maintenance Center Renovation. Staff recommends transfer of \$18,000 from CIP Index Code 342048, Equipment Maintenance Center Service Station, for a total available funding of \$379,478. Staff is recommending that City Council approve the contract in the amount of \$362,731. The remaining funds would be sufficient to cover estimated Engineering Department expenses during the construction contract and a 3 percent contingency fund for activities prior to the start of the Fiscal Year (FY) 1999/2000.

**SUBMITTED BY:**

FLOYD BENTZ, P.E.  
ACTING CITY  
ENGINEER

**RECOMMENDATION -**

**Approval of the contract with Bergstrom Construction Company, Inc., in the amount of \$362,731.**

## **BACKGROUND -**

On January 4, 1999, under Roll Call No. 99-087, the City Council deferred consideration of the Equipment Maintenance Center Renovation and Car Wash contract, including the public hearing on the plans and specifications; the receipt and file of bids; and the designation of the lowest responsive, responsible bidder. City Council deferred action until approving the 1999/2000 CIP Budget because the proposed funding for the project included utilization of GO Bonds that were proposed to be sold in FY1999/2000.

The City Manager has further directed that capital projects requiring funding from the 1999/2000 CIP Budget should not be on the City Council agenda until the Budget is adopted. The City Council should be asked to consider only capital projects for which sufficient funding is available in the Adopted CIP Budget.

The Equipment Maintenance Center Renovation and Car Wash contract includes renovation to the existing facility that staff feels should be completed as soon as possible to improve efficiency and reduce potential safety problems. As a result, staff has reviewed the contract and recommends that the contract scope be reduced to include only the base bid and Alternates Nos. 1 and 2 as discussed above for the total contract amount of \$362,731. Staff has identified sufficient funding that is available in the adopted budget for this contract. This funding would also include sufficient funds for Engineering Department administrative costs and a 3 percent contingency fund through the end of FY1998/1999.

Staff is working with Bergstrom Construction Company, Inc., to determine if the contractor will honor its price on Add-Alternate No. 3, which provides for a service office. Staff is recommending deletion of said Add-Alternate No. 3 from the contract at this time. If the City Council approves additional funding for FY1999/2000 for the Equipment Maintenance Center Renovation and Car Wash, staff would propose that a change order be approved by City Council to add said Add-Alternate No. 3 to the contract at that time.

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