

**CITY COUNCIL
COMMUNICATION:**

03-049

AGENDA:

JANUARY 27, 2003

SUBJECT:

COMBINED TRAFFIC
SIGNAL
INTERCONNECT
PROJECT – CHANGE
ORDER NOS. 1, 2
AND 3

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JOHN F. MCKEE, P.E.
ACTING CITY
ENGINEER

ITEM _____

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

SYNOPSIS —

Three change orders in the amounts of \$28,925.25, \$70,521.23, and \$76,112.60 have been negotiated with J.F. Edwards Construction Company (John Edwards, Jr., President, P.O. Box 49, Geneseo, Illinois, 61254) for additional work in conjunction with the Combined Traffic Signal Interconnect Program project. The bid prices for these contracts were 39 percent below the construction estimates. These change orders will restore fiber optic cable and traffic signal conduit work that was removed during the design phase because of anticipated budget shortfalls at that time. The Iowa Department of Transportation (IDOT) has given staff verbal approval of all three change orders.

FISCAL IMPACT —

Funding for these change orders totaling \$175,559.08 is available under current agreements with IDOT, which have been approved by Council. The City of Des Moines' share of these three change orders (\$27,500.56) is provided in the approved Capital Improvements Budget, Citywide Traffic Signal Interconnection, Fund CP038, Organization ENG990000, Project STR097, and Activity ID 04-2003-04. Federal Congestion Mitigation and Air Quality (CMAQ) funds will be utilized for 80 percent of these change order amounts (\$140,447.26). IDOT will participate in 10 percent (\$7,611.26) of the change order amount for the University/Grand/Ingersoll Avenue project.

RECOMMENDATION —

Approval of Change Order Nos. 1, 2, and 3 with J.F. Edwards Construction Company.

BACKGROUND —

In July 2002, four separately funded traffic signal interconnection projects, each involving installation of conduit and fiber optic cable, were bid through IDOT. Since the proposed work was similar for each of the projects, there was also a "combined projects" bid allowed. When bids were received, the "combined projects" bid for all four projects was \$1,549,975, which was 39 percent lower than the construction estimate of \$2,539,410. It was also 21 percent lower than the total of the individual bids for the four projects.

Each of the four projects was previously approved for funding utilizing Federal CMAQ funds for 80 percent of the construction costs. Due to the proximity of one of the projects to the I-235 corridor, IDOT also agreed to

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fund 10 percent of the costs of the Grand/Ingersoll/University Avenue project.

On August 5, 2002, by Roll Call No. 02-1986, City Council entered into the "combined projects" contract with J.F. Edwards Construction Company for this work.

During the design process for these four projects, and based on historical prices received on similar projects, the scope of the work was reduced in order to keep the estimated cost within the project budget. Because the actual bids received were considerably less than the construction estimate, these change orders have been prepared in order to restore this work to the projects. The major benefit of this change order will be that each of the four traffic signal system projects will now be connected via fiber optic cable to the City's Traffic Operations Center in the Armory Building.

The Change Order No. 1 for the Northeast Corridor Interconnect project is \$28,925.25 (80 percent Federal CMAQ funds \$23,140.20 and \$5,785.05 City). The Change Order No. 2 for the Northwest Corridor Interconnect project is \$70,521.23 (80 percent Federal CMAQ funds \$56,416.98 and \$14,104.25 City). The Change Order No. 3 for the Grand/Ingersoll/University Avenue project is \$76,112.60 (80 percent Federal CMAQ funds \$60,890.08, 10 percent IDOT funds \$7,611.26, and \$7,611.26 City). The total cost for these three change orders is \$175,559.08; however, the City of Des Moines' cost is only \$27,500.56.

The federal and IDOT funds for these change orders are available under current agreements and IDOT has given verbal approval of these three change orders. Three separate change orders are necessary because the City has three different funding agreements with IDOT. IDOT probably would not allow the City to develop plans and specifications to bid another contract for this change order work. IDOT would require the unused funds to be returned or released, and the City would then need to make application for another IDOT agreement and compete with other statewide applications for these funds.

The original bid for this contract was \$1,549,975. Including these change orders, the total contract price is \$1,725,534.08 (an 11.3 percent increase); which is still 32 percent under the original estimates.

