



Agenda Item:

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COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 01/23/06

Communication No.: 06-038

Agenda Item Type: Resolution

Roll Call No.:

Submitted by: Jeb E. Brewer, City Engineer

SUBJECT—

Approving Change Order No. 4 with Larson & Larson Construction, LLC, for additional work on the Western Gateway Improvements project in an amount not to exceed \$82,450.

SYNOPSIS—

Change Order No. 4 has been negotiated with Larson & Larson Construction, LLC, Jeffrey C. Larson, President, 10703 Justin Drive, Urbandale, Iowa, 50322, for additional work on the Western Gateway Improvements project. This project will remove buried debris and unsuitable soils and replace it with suitable soil.

FISCAL IMPACT—

Funding for this change order is available in the Capital Improvements Program, Account 543070, Fund CP065, Organization CMO990000, Project URR027, Western Gateway Improvements, Activity ID 04-2004-006.

RECOMMENDATION—

Approval.

BACKGROUND—

The original construction contract for Western Gateway Improvement was awarded to Larson & Larson Construction, LLC on April 25, 2005 under Roll Call 05-1061 in the amount of \$4,791,938. The original cost estimate for the project was \$5,350,000. The award was \$548,062 under the estimate. The total cost including Change Order Numbers 1 through 4 is still below the original construction estimate.

The Western Gateway improvements are being built on property between 10th and 15th Street, and Grand Avenue and Locust Street. Over the years, this site has had numerous buildings erected, torn down, rebuilt, and other site disturbances. The base contract provided for the contractor to dispose of any buried debris discovered on the site at a bid unit price. The amount of material removed was to be

measured in the field and paid separately. The sub-grade work for the area between 10th and 13th Streets has been completed and quantities measured. Change Order No. 4 is to pay the contractor for this debris removal between 10th and 13th Streets. The bid unit price would have resulted in a change order of nearly \$140,000. The City and the contractor have been in negotiations, and the contractor has shown good faith and offered to discount the cost to actual costs instead of unit cost, resulting in a savings to the City of over \$50,000.

The project construction will continue on the blocks between 13th and 15th Streets in 2006. It is anticipated that there will be buried debris on these blocks, but potentially in lesser amounts than were found between 10th and 13th Streets.

In the interim, cost saving measures will continue to be pursued on the project. One such initiative is to have City staff perform more of the necessary construction administrative services in the blocks between 13th and 15th Streets. The consultant will be utilized as necessary up to the maximum of the contract. This approach will avoid additional consultant costs and result in savings to the final project cost. If specific additional services are required from consultants or sub consultants, those services will be negotiated only on an "as needed" basis.

Because of initial favorable bids and continued cost containment efforts, staff anticipates that the final project cost will be completed below the project's budget.