



# Council Communication

Office of the City Manager

Date

January 8, 2007

Agenda Item No. 53  
Roll Call No. 07-  
Communication No. 07-012  
Submitted by: Jeb E. Brewer, P.E.  
City Engineer

## AGENDA HEADING:

Hearing on Downtown Parking System Wayfinding Signage - Phase 2: Resolution approving plans, specifications, form of contract documents, engineer's estimate, receive and file bids, and designating lowest responsible bidder as The Waldinger Corporation, 2601 Bell Avenue, Des Moines, IA, 50321, Tom Koehn, President, President, \$614,200.50.

## SYNOPSIS:

This is a public hearing to allow for public input on the Downtown Parking System Wayfinding Signage - Phase 2 and take the necessary actions as required by Iowa Code to authorize a contract for construction of the proposed project. This is final phase of an overall wayfinding project in cooperation with the Downtown Community Alliance to help the public and out-of-town guests find parking facilities and major regional attractions in the downtown area. This phase includes installation of signage that will direct people to the City parking facilities. The signage will notify drivers in advance when the parking garage is full and guide them to the next garage with available parking.

## FISCAL IMPACT:

Amount: \$614,200.50 Construction Contract (Construction Estimate - \$437,561)

Funding Source: 2006-2007 CIP, Page PKG-5, Parking Facility Exterior Signing, PKG023, various funding, being:

- \$25,717.04 in Parking Revenue from PKG023;
- \$392,583.46 in Federal Congestion Mitigation and Air Quality Improvement (CMAQ) funding;
- \$100,000 transfer from the Parking Operations Fund, EN051, ENG100701, Page 233, 2006-2007 Operating Budget;
- \$100,000 transfer from the Park & Ride Operations Fund, EN078, ENG100707, Page 239, 2006-2007 Operating Budget.

## ADDITIONAL INFORMATION:

On December 4, 2006, under Roll Call No. 06-2350, the City Council received and filed plans, specifications, form of contract documents, and City Engineer's estimate for the construction of the Downtown Parking System Wayfinding Signage - Phase 2. Before the City Council can enter into a contract, it must hold a public hearing and approve the proposed plans, specifications, and form of contract documents and engineer's estimate for construction of the Downtown Parking System Wayfinding Signage - Phase 2, 04-2006-007. The improvement includes installation of signage that will direct people to the City parking facilities. The signage will notify drivers in advance when the parking

garage is full and guide them to the next garage with available parking. All work in accordance with the contract documents including Plan File Nos. 471-91/131, located in the downtown area from M.L. King Jr. Parkway to I-235 and Penn Avenue to 15th Street, Des Moines, Iowa

Sealed bids for said improvement were submitted by the following bidders:

- The Waldinger Corporation, Des Moines, IA
- Baker Electric, Inc., Des Moines, IA
- KWS, Inc., Cedar Falls, IA

The bids, in accordance with a previously approved Iowa Department of Transportation (IDOT) Agreement, were received and opened by IDOT on December 19, 2006. The City Engineer has determined that the lowest responsible, responsive bid for the construction of said improvement was submitted by The Waldinger Corporation in the amount of \$614,200.50. The Finance Director has determined that funds are available as stated above.

Because the low bid was significantly higher than the estimate (40.4%), staff has done an extensive analysis of the bids to determine whether the City should proceed with this project as bid; should reject all bids; restructure the project to eliminate items to reduce costs; or simply eliminate this project. Based on this analysis, staff and the design consultant Wilbur Smith Associates, recommend proceeding with construction of the project by accepting the lowest bid.

The three bids are from contractors who have done a lot of traffic signal work in Des Moines, who were the expected bidders for the project, and whose bids are competitive with each other. Our design consultant has advised that materials costs (steel, aluminum, concrete, wiring, paints, etc.) have experienced significant increases worldwide due to the high cost of petroleum and huge demand in China and other countries experiencing a building boom. The contractor has confirmed that their base cost for materials and equipment for this project are \$350,000, or 57.0% of the total cost. Typically, the material cost and the labor and other costs to install are each about 50%, so the 43% of total for installation cost is very reasonable.

Another significant factor in the overall cost of the project is the difficulty in doing underground work in the downtown area. For most of the project area, the entire street right-of-way is paved over, either with street surface or sidewalk, and there is a myriad of underground utilities to work around. Removal and replacement of pavement every time the contractor needs to dig a hole to place underground conduit, etc. is much more time consuming and costly than in outlying areas. The work is also spread out over a wide area of the downtown, instead of being concentrated in one or two work areas.

A final major factor in the high cost is the unique character of the project, with specialized equipment for this specific project. This requires the contractor to work with new suppliers, eliminates an ability to combine materials and equipment for several similar projects, and creates some uncertainties and unknown costs for the contractor compared to regular traffic signal projects.

The above factors all combine to make this unique project very difficult for City staff and the design consultant to accurately estimate the costs. Project cost estimates are typically based on historical unit costs, with adjustments made for specific project factors. The bid analysis indicates that the project estimate was significantly below the actual cost to construct this project. Because the majority of the project cost is in the equipment and materials, reducing the project scope to reduce costs would significantly reduce the effectiveness of the project to guide visitors and other unfamiliar motorists to parking facilities that support the Iowa Events Center, Principal Riverwalk, Civic Center and many other

major public venues in the downtown.

As stated in the fiscal impact, over \$392,000 of the total construction cost (64%) will be paid from Federal CMAQ funds. An additional \$108,000 of CMAQ funds (total of \$500,000) has been spent on the first two phases of this project. If the City does not proceed with the parking Wayfinding signs, we would have to return the CMAQ funding. Since the parking real-time availability information was the primary basis for the CMAQ grant, it is likely that we would have to return the \$108,000 of funds already spent on the first two phases, which provided the major attraction and pedestrian Wayfinding signs.

The transfer of funds from the park and ride operation and the parking operation funds will reduce the operating balance in those funds in the short term. In the longer term, future repair/rehabilitation work will be scaled back slightly to restore the operating balances. Although the Downtown Community Alliance does not have any funding in the construction phases of this project, they did provide 1/3 of the cost for the conceptual design work for all three phases, and have strongly supported this project as being very beneficial to the entire downtown area.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: December 4, 2006

Roll Call Number: 06-2350

Action: Ordering construction of Downtown Parking System Wayfinding Signage – Phase 2 – Receiving of bids, (12-19-06), and Setting date of hearing, (01-08-07). (Construction Estimate - \$437,561). (Council Communication No. 06-761) Moved by Vlassis to adopt. Motion Carried 6-0.

Date: May 8, 2006

Roll Call Number: 06-934

Action: On Parking Facility Pedestrian Wayfinding Signs: Resolution approving plans, specifications, form of contract documents, Engineer's estimate, and designating lowest responsible bidder as KWS, INC., (Rich Muller, President), \$98,250. (Council Communication No. 06-257) Moved by Kiernan to adopt. Motion Carried 7-0.

Date: May 8, 2006

Roll Call Number: 06-935

Action: Approving contract and bond. Moved by Kiernan to adopt. Motion Carried 7-0.

Date: April 10, 2006

Roll Call Number: 06-600

Action: Parking Facility Pedestrian Wayfinding Signs – Receiving of bids, (4-18-06) and Setting Date of Hearing, (5-8-06). (Construction Estimate - \$80,310). (Council Communication No. 06-178) Moved

by Hensley to adopt. Motion Carried 6-1.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Partial payments to the contractor and final acceptance of work.