



Council Communication

Office of the City Manager

Date

October 13, 2008

Agenda Item No. 62
Roll Call No. 08-
Communication No. 08-610
Submitted by: Jeb E. Brewer, P.E.
City Engineer, and William G. Stowe, Assistant
City Manager/Public Works/Engineering

AGENDA HEADING:

Hearing on Solid Waste Building Fire Repairs: Resolution approving plans, specifications, form of contract documents, engineer's estimate, receive and file bids, and designating lowest responsible bidder as Bergstrom Construction, Inc., Tom Gorgas, President, \$417,926.

SYNOPSIS:

This is a public hearing to allow for public input on the Solid Waste Building Fire Repairs and take the necessary actions as required by Iowa Code to authorize a contract for construction of the proposed project. The Solid Waste storage garage was substantially damaged by fire on March 5, 2008. As a result of this fire, the vehicle storage portion of the structure was damaged to the extent it could not be occupied. On August 4, 2008, the City received insurance proceeds to repair the damage incurred. This project is the repair of the garage building including replacement of the fire damaged structural parts, partial replacement of the roof and insulation, full replacement of electrical and lighting systems, replacement of the mechanical, heating and ventilation systems, cleaning and spot painting of the structure, and installation of a sprinkler system for fire prevention. All repairs will be paid from property insurance proceeds received on August 4, 2008.

FISCAL IMPACT:

Amount: \$417,926 Construction Contract (\$377,000 City Engineer's Estimate)

Funding Source: 2008-09 Operating Budget, Page 296, Solid Waste Collection, EN151, PWK100101, OPR177, Insurance Proceeds, utilizing insurance proceeds from the fire damage settlement. All repairs will be paid from \$649,979 in property insurance proceeds received on August 4, 2008 as well as an additional \$113,370 in insurance proceeds that will be paid to the City upon meeting the time deadlines established for demolition and debris removal and the installation of a dry pipe sprinkler system. Because the total insurance proceeds (\$763,349) will exceed the total bid cost (\$417, 926), the Solid Waste Enterprise Fund will retain a savings of \$345,423.

ADDITIONAL INFORMATION:

On August 4, 2008, the City received Property Insurance proceeds for the fire damage resulting from the March 5, 2008 fire at the Solid Waste storage garage. In addition to these proceeds, the City's Property Insurance policy provides additional coverage for the cost of demolition and debris removal (\$21,433 bid price) and for the installation of a sprinkler system (\$91,937 bid price), but this additional coverage is only available if certain critical completion-of-work deadlines established by the insurance policy and

insurance carrier are met. Demolition and debris removal of fire-damaged elements must be completed and invoiced by November 28, 2008, and the sprinklers active and invoiced by December 31, 2008 to meet insurer deadlines for payment. Equally important is the operational requirement to provide indoor storage for the Solid Waste vehicles before colder weather. Repairs include replacement of the fire damaged structural members (frame and purlins); partial replacement of the roof and insulation; full replacement of electrical and lighting systems; replacement of the mechanical, heating and ventilation systems; cleaning and spot painting of the structure; and installation of a sprinkler system for fire prevention.

On September 8, 2008, under Roll Call No. 08-1567, the City Council received and filed plans, specifications, form of contract documents, and City Engineer's estimate for the construction of the Solid Waste Building Fire Repairs. 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 the construction of the Solid Waste Building Fire Repairs, 10-2009-002. The improvement includes repair of fire damage in the existing Solid Waste Garage including: demolition, cleaning, concrete floor repair, structural member fabrication and replacement, replacement of metal roofing and insulation, interior painting, supply and installation of sprinkler system, electrical and mechanical work as defined in the contract documents, including Plan File Nos. 476-091/102, on Solid Waste Building, 110 SE 6th Street, Des Moines, Iowa.

Sealed bids for said improvement were received and opened at a public meeting presided over by the City Engineer in the City Council Chambers, City Hall, 400 Robert D Ray Drive, Des Moines, Iowa at 11:00 a.m. on September 30, 2008. Only one bid was received from Bergstrom Construction, Inc., Tom Gorgas, President, 1719 Hull Avenue, Des Moines, IA, 50313 in the amount of \$417,926, which was 10.9% over the Engineer's construction estimate of \$377,000. Staff contacted the two other companies that had obtained bidding documents as prime bidders to determine why they did not submit a bid. Staff was informed either that the structural repairs were difficult making the project undesirable, or the project did not fit into the contractor's current work schedule and they did not have time to adequately prepare a bid because of the numerous work activities and subcontractors that would be required. The low bid is over the Engineer's construction estimate; however, it is less than the repair estimate used to calculate the insurance settlement, so funds are available. Therefore, after consideration of this bidder information, available funding, the operational requirement to provide indoor storage for the Solid Waste vehicles before colder weather, and the critical completion-of-work deadlines for payment established by the insurance carrier that demolition and debris removal of fire-damaged elements must be completed and invoiced by November 28, 2008 and the sprinklers active and invoiced by December 31, 2008, the City Engineer recommends acceptance of the bid.

The City Engineer has determined that the lowest responsive, responsible bid for the construction of said improvement was submitted by Bergstrom Construction, Inc., Tom Gorgas, President, 1719 Hull Avenue, Des Moines, IA, 50313 in the amount of \$417,926, and said bid should be accepted. The Finance Director has determined that funds are available for said improvement as stated above.

PREVIOUS COUNCIL ACTION(S):

Date: September 8, 2008

Roll Call Number: 08-1567

Action: Ordering construction of the following: Solid Waste Building Fire Repairs: Receiving of bids, (9-30-08), and Setting date of hearing, (10-13-08). (Construction Estimate - \$377,000). (Council Communication No. 08-538

) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: August 11, 2008

Roll Call Number: 08-1402

Action: Approving Professional Services Agreement with Durrant Group, Inc. for design and construction phase services for the Solid Waste Building Fire Repairs, not to exceed \$45,000. (Council Communication No. 08-489) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Partial payments to the contractor and final acceptance of work.

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