



Council Communication

Office of the City Manager

Date:	March 14, 2011
Agenda Item No.	40
Roll Call No.	<u>11-0472</u>
Communication No.	<u>11-168</u>
Submitted by:	Jeb E. Brewer, P.E. City Engineer

AGENDA HEADING:

Public Hearing on Court Avenue and Water Street Sewer Separation Regarding:

1. Approving Plans, Specifications, Form of Contract Documents, and Engineer's Estimate; and
2. The Status of the Funded Activities under IDED Contract 08-DRI-032;

Also Resolution to Receive and File Bids; Designation of Lowest Responsive, Responsible Bidder as H & W Contracting LLC, Thomas L. Hurd, President, \$3,977,311.75.

SYNOPSIS:

This is a public hearing to allow for public input on the Court Avenue and Water Street Sewer Separation and take the necessary actions as required by Iowa Code to authorize a contract for construction of the proposed project. This is also a public hearing required as part of the funding from the Iowa Department of Economic Development (IDED) on the status of funded activities for the Court Avenue - Water Street Sewer Separation project. In the summer of 2008, there was extensive damage across Iowa from flooding and other severe weather. The Iowa Department of Economic Development has awarded the City of Des Moines a grant under the Infrastructure Assistance program, as part of the Federal Disaster Relief program under the Jump Start Program for Housing Assistance, Small Business Assistance, and Infrastructure Assistance. This project will construct a separate storm sewer system for this area of downtown that is currently served by a combined (storm and sanitary) sewer system. The combined sewer system is unable to adequately convey the storm water during heavy rain events resulting in localized flooding, especially during high river levels. The Court Avenue & Water Street Storm Water Pump Station, which is currently under construction, will provide the required pump station at the levee to pump storm water over the levee during high river levels when the gravity outlet to the river must be closed.

FISCAL IMPACT:

Amount: \$3,977,311.75 Construction Contract (\$4,000,000 City Engineer's Estimate)

Funding Source: 2010-2011 CIP, Page Storm-6, Court Avenue/Water Street Sewer Separation, STE081, Being: \$1,296,841.98 in HUD Disaster funds (Federal Jumpstart Infrastructure Assistance funds) from the Iowa Department of Economic Development (remainder of the \$1,610,000 grant allocated for Phase 2 storm sewer construction costs), \$1,051,450.72 in I-JOBS II Targeted Disaster Relief Grant funds (remainder of the \$3,050,000 I-JOBS II Grant), \$913,569.78 City Storm Water Utility Funds, and the remaining \$715,449.27 in City Storm Water Utility Revenue Bonds issued.

ADDITIONAL INFORMATION:

In the summer of 2008, there was extensive damage across Iowa from flooding and other severe weather. As part of the Federal Disaster Relief program, the State of Iowa made funds available under the Jump Start Program for Housing Assistance, Small Business Assistance, and Infrastructure Assistance. The first selection considered any project submitted by an authorized agency to the IDED by February 18, 2009. The Jump Start program had \$15.75 million in CBDG funds for Infrastructure Assistance to allocate State-wide.

On May 18, 2009, under Roll Call Number 09-833, the City Council authorized submittal of four project applications under the Infrastructure Assistance Program. The projects were identified as those being the most competitive in the grant selection criteria. Important criteria considered were the direct relationship of the project to the 2008 disaster, threat to health, safety, or welfare, benefit to low and moderate-income persons and burden associated to the same group if local revenue was used to accomplish the project and the ability to construct the projects quickly. One of the four project applications submitted was \$5,000,000 funding request for the proposed the Court Avenue - Water Street Sewer Separation Project. The project will separate the combined storm water and sanitary sewer system in the downtown area and construct a storm water pump station to discharge storm water to the Des Moines River.

All four of the projects submitted were selected for funding by IDED, and on November 16, 2009, under Roll Call No. 09-2071, the grants were approved by the City Council including Contract Number 08-DRI-032 in the amount of \$4,000,000 for the Court Avenue - Water Street Sewer Separation Project. IDED Contract No. 08-DRI-032 will be constructed by the City of Des Moines in three contracts being:

1. Court Avenue & Water Street Gatewell and River Outlet, City Activity ID No. 08-2010-006. The improvement includes construction of a storm water pump station gatewell and outlet structure, 72" diameter storm sewer south of Court Avenue and east of Water Street along the West Des Moines River Levee. This contract was awarded to Herberger Construction Co. Inc. on January 25, 2010 under Roll Call No. 10-092 in the amount of \$390,387, and has been completed. City Council accepted completed construction for this project on February 28, 2011, under Roll Call No. 11-0292, in the amount of \$479,484.65.
2. Court Avenue & Water Street Storm Water Pump Station, City Activity ID No. 08-2010-007. This contract was awarded to Larson & Larson Construction LLC, on October 25, 2010, under Roll Call No. 10-1777, in the amount of \$5,761,003.26. This project includes construction of the storm water pump station at a cost of \$5,284,427.36, and also limited storm sewer construction work in the amount of \$476,575.90.
3. Court Avenue and Water Street Sewer Separation, City Activity ID No. 08-2009-003. This is the current project being recommended to the City Council to consider designating lowest responsible bidder as H & W Contracting LLC, Thomas L. Hurd, President, in the amount of \$3,977,311.75. This project includes construction of the storm sewer system from the pump station ultimately along 2nd Avenue to Grand Avenue.

Pursuant to the requirements of Section 508 of the Housing and Community Development Act of 1987, as amended, the Des Moines City Council must hold a public hearing to discuss the status of funding for the proposed Court Avenue - Water Street Sewer Separation Project. The project will separate the combined storm water and sanitary sewer system in the downtown area and construct a storm water pump station to discharge storm water to the Des Moines River. The project is being funded in part through a Community Development Block Grant provided by the Iowa Department of Economic Development (IDED) and Des Moines Storm Water Utility Funds. The notice of the public hearing

published March 9, 2011, in the Des Moines Register stated that anyone with questions concerning the project may contact Calvin Miller at (515) 283-4748. As of March 9, 2011, no question had been received.

When the grant application was prepared, Staff estimated that the construction of the outlet structure and pump station and the separation of the storm and sanitary sewers on the Court Avenue - Water Street Sewer Separation Project would cost \$6,100,000 for construction only utilizing IDED funds. The IDED grant was awarded in the amount of \$4,000,000 and the funds were split into two phases being:

- \$2,390,000 in IDED funds (65.48% of the \$3,650,000 estimate) for Phase 1 construction of the outlet structure and storm pump station with \$1,532,845 (34.52%) as the local share.
- \$1,610,000 in IDED funds (65.71% of the \$2,450,000 estimate) for Phase 2 separation of the storm and sanitary sewers with \$1,647,193 (32.29%) as the local share.
- Storm Water Utility funds would to be utilized for design and administrative costs.

After the detailed design was completed on the outlet structure and pump station and sewer separation work, the construction estimate was increased to \$10,223,000.

The Iowa Legislature and the Governor of Iowa pursuant to 2010 Iowa Acts Senate File 2389 appropriated monies for grants to certain disaster relief and mitigation renovation and construction projects including a non-competitive Iowa Jobs (I-Jobs) Grant of \$3,050,000 to the City of Des Moines for the Court Avenue/Water Street Storm Water Pump Station project. The I-Jobs grant is for 32% of the project cost not to exceed \$3,050,000, and can be used as the local share for the IDED grant.

This is a hearing on the status of the IDED funding for Phase 2, Contract 3 project, which is summarized as follows:

- Phase 2 separation of the storm and sanitary sewers costs are anticipated at \$4,453,887.65 (\$476,575.90 for construction of limited storm sewer construction work awarded to Larson & Larson Construction LLC on October 25, 2010, under Roll Call No. 10-1777, and \$3,977,311.75 for Contract 3 sewer separation including construction of the storm sewer system from the pump station ultimately along 2nd Avenue to Grand Avenue). Funding for Phase 2 costs is as follows:
 - \$1,610,000 in IDED funds, which is the maximum grant amount for IDED Phase 2.
 - \$1,203,955.01 in I-Jobs funds, which is 32% of the construction costs in accordance with the I-Jobs grant.
 - \$1,639,932.64 in City Storm Water Utility Revenue Bonds to be issued from STE081.

Staff anticipates that funding will be adequate to complete the Phase 2 project work.

February 14, 2011, under Roll Call No. 11-0165, the City Council received and filed plans, specifications, form of contract documents, and City Engineer's estimate for the construction of the Court Avenue and Water Street Sewer Separation. 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 Court Avenue and Water Street Sewer Separation, 08-2009-003. The improvement includes construction of storm sewer ranging from 12" to 66" diameter, storm sewer structures, sanitary conflict structures, storm sewer jacked in place, watermain, traffic signal system, and portland cement concrete paving, subdrain, sidewalks, brick sidewalks and crosswalks, hot mix asphalt overlays, pavement markings, and miscellaneous associated work including cleanup and other incidental items; in accordance with the contract documents, including Plans File Nos. 527-

024/101, located in Court Avenue from Water Street to 2nd Avenue, 2nd Avenue from Court Avenue to Grand Avenue, and Grand Avenue from 2nd Avenue to 3rd Street in downtown Des Moines, Iowa.

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

H & W Contracting LLC, Sioux Falls, SD
Gator Excavating, Inc., Grimes, IA
S. M. Hentges & Sons Inc., Jordan, MN
Corell Contractor, Inc., West Des Moines, IA
McAninch Corporation, Des Moines, IA
Geislinger & Sons Inc., Watkins, MN

The bids were received and opened at a public meeting presided over by the City Engineer in the City Council Chambers, 2nd Floor, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa at 11:00 a.m. on March 1, 2011.

The City Engineer has determined that the lowest responsive, responsible bid for the construction of said improvement was submitted by H & W Contracting LLC, Thomas L. Hurd, President, 3416 West Hovland Avenue, Sioux Falls, SD, 57107 in the amount of \$3,977,311.75, 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: February 14, 2011

Roll Call Number: [11-0165](#)

Action: Ordering construction of the following:

- (A) Court Avenue and Water Street Sewer Separation: Receiving of bids, (3-1-11), Setting date of hearing, (3-14-11). (Construction Estimate - \$4,000,000). ([Council Communication No. 11-096](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 6, 2010

Roll Call Number: [10-1979](#)

Action: [Approving](#) execution of four Iowa Jobs Program Grant Award Agreements with the Iowa Jobs Board and the Iowa Finance Authority. ([Council Communication No. 10-726](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: October 25, 2010

Roll Call Number: [10-1776](#) & [10-1777](#)

Action: [On](#) Court Avenue & Water Street Storm Water Pump Station: Resolution approving plans, specifications, form of contract documents, Engineer's estimate, and status of funded activities under IDED Contract No. 08-DRI-032: Resolution to receive and file bids designating lowest responsible

bidder as Larson & Larson Construction, LLC, (Jeffrey C. Larson, President), \$5,761,003.26. ([Council Communication No. 10-633](#)) Moved by Hensley to adopt. Motion Carried 6-1. Absent: Moore.

- (A) [Approval](#) of contract and bond, and permission to sublet. Moved by Hensley to adopt. Motion Carried 6-1. Absent: Moore

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Partial payments to the contractor and final acceptance of work.

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