

ITEM#: 19
DATE: 08-09-22

COUNCIL ACTION FORM

SUBJECT: PRAIRIE VIEW INDUSTRIAL CENTER UTILITY EXTENSION PROJECT

BACKGROUND:

The Prairie View Utility Extension Project consists of extending water and sanitary sewer mains to the recently annexed area east of Interstate 35 (I-35). Design included water main and a gravity sewer main to be installed between I-35 and Potter Ave (formerly 590th), a force sewer main to be installed from Teller Ave (formerly 580th) to west of Freel Drive, and a sewer lift station to be constructed. Most of this area has been certified by the Iowa Economic Development Authority as the Prairie View Industrial Center.

On May 12th, 2021, City Council awarded the Prairie View Industrial Utility Project to Keller Excavating, Inc., of Boone, Iowa, in the amount of \$6,168,791.40. This was the base bid which extends utilities to Teller Ave (580th). The bid package included Alternative 1 to extend gravity sewer and water main from Teller Ave (580th) to Potter Ave (590th), however, funding was not fully available at that time to accept that Alternative. Since the start of the project, Change Order #1 has been approved by staff resulting in a contract deduct of \$206.40 for a total current contract amount of \$6,168,585.00.

In 2021, the American Rescue Plan Act (ARPA) was signed into law providing \$350 billion in additional funding for state and local governments, of which the City of Ames received approximately \$14.3 million. Two new programs were approved in the 2022-2027 Capital Improvement Plan (CIP) for the installation of public water and sanitary sewer infrastructure into priority tiers shown in the Growth Plan 2040 (CIP sheets attached). The further extension of gravity sewer and water main from Teller Ave (580th) to Potter Ave (590th) is included in these programs. **Staff has worked with the current contractor, Keller Excavating, to receive two proposals for adding these utility extensions to the existing contract by change order (Change Order #2).**

Change Order #2 - Proposal 1 (\$2,210,255.72) would extend the utilities while closing portions of Teller Avenue and Lincoln Way during winter construction. The current project included closures of Lincoln Way due to safety concerns for the travelling public and workers on site.

Change Order #2 - Proposal 2 (2,460,255.72) essentially adds \$250,000 to Proposal 1 to include the necessary barricading and traffic control to keep traffic open during construction. Due to conflicts with winter roadway maintenance, construction under this proposal could not commence until Spring of 2023.

Revenue and expenses associated with this program are estimated as follows:

Funding Source	Available Revenue	Estimated Expenses
G.O. Bonds	\$4,300,000	
EDA Grant	\$1,500,000	
Prior Authorized American Rescue Plan American Rescue Plan (23/24 Ames Plan 2040 Water & Sewer Utility CIP)	\$ 900,000 \$2,000,000	
Current contract		\$6,168,585.00
Change Order 2 (Teller Ave to Potter Ave)		\$2,210,255.72
Engineering and Administration		\$ 275,000.00
TOTAL	\$8,700,000	\$8,653,840.72

ALTERNATIVES:

1. Approve Change Order #2 - Proposal 1 for the Prairie View Industrial Center Utility Extension Project, as negotiated, in the amount of **\$2,210,255.72**.
2. Approve Change Order #2 – Proposal 2 for the Prairie View Industrial Center Utility Extension Project with work to take place under traffic and an additional cost of \$250,000 for a total amount of **\$2,460,255.72**.
3. Do not approve Change Order 2, thereby requiring redesign and rebidding for extending water and sanitary sewer from Teller Ave to Potter Ave.

MANAGER’S RECOMMENDED ACTION:

Work associated with Change Order #2 – Proposal 1 has been negotiated with closing portions of Teller Avenue and Lincoln Way during winter construction. If staff were to direct Keller Excavating to construct the work under traffic, there would be a traffic control price increase of \$250,000. This increase would be due to the required use of temporary concrete barrier to sperate the workers and the traveling public. The use of the temporary barrier would also increase the duration and difficulty of construction. In addition, work under Proposal 2 would be delayed until Spring of 2023.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

DESCRIPTION/JUSTIFICATION

This new program involves installation of public sanitary sewer infrastructure into priority tiers shown in the Growth Plan 2040. By installing the sanitary sewer systems proactively, this opens the development ability for lands in the adopted growth tiers. Design ahead of construction installation takes several months followed by a couple months for Iowa DNR permitting and two months for bidding and approval of contract and bond.

COMMENTS

The American Rescue Plan Act(ARPA) of 2021, which was signed into law on March 11, 2021, provides \$350 billion in additional funding for state and local governments. The local funding portion is approximately \$130 billion, equally divided between cities and counties. The City of Ames is slated to receive approximately \$14.3 million. Eligible uses include revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency and investments in water, sewer, and broadband infrastructure. After revenue replacement, there will be approximately \$12.26 million available for infrastructure investment.

LOCATION

- 2022/23 Oversize sanitary sewer through Huang/Hunziker parcel north of Sunset Ridge Subdivision (\$1,065,000) East 13th Sanitary Sewer (S. Dayton Ave to east of I-35) (\$2,881,981)
- 2023/24 Prairie View Industrial Center (E. Lincoln Way: Teller Avenue to Potter Avenue) (\$1,000,000); extend sanitary sewer from trunk main at 265th Street west then north along US Hwy 69 to waterway south of Ken Maril (\$3,381,981), extend 12” sanitary sewer from Mortensen Road along County Line Road to Lincoln Way (\$1,065,000)

	TOTAL	2022/23	2023/24	2024/25	2025/26	2026/27
COST:						
Engineering	1,800,914	710,457	1,090,457			
Construction	7,593,048	3,236,524	4,356,524			
TOTAL	9,393,962	3,946,981	5,446,981			
FINANCING:						
American Rescue Plan Act	9,393,962	3,946,981	5,446,981			
TOTAL	9,393,962	3,946,981	5,446,981			

PROGRAM - ACTIVITY:	DEPARTMENT:	ACCOUNT NO.
Utilities - Sanitary Sewer	Public Works	122-8520-489 122-8571-489

DESCRIPTION/JUSTIFICATION

This new program involves installation of public water infrastructure into priority tiers shown in the Growth Plan 2040. By installing the water systems proactively, this opens the development ability for lands in the adopted growth tiers. Design ahead of construction installation takes several months followed by a couple months for Iowa DNR permitting and two months for bidding and approval of contract and bond.

COMMENTS

The American Rescue Plan Act (ARPA) of 2021, which was signed into law on March 11, 2021, provides \$350 billion in additional funding for state and local governments. The local funding portion is approximately \$130 billion, equally divided between cities and counties. The City of Ames is slated to receive approximately \$14.3 million. Eligible uses include revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency and investments in water, sewer, and broadband infrastructure. After revenue replacement, there will be approximately \$12.26 million available for infrastructure investment.

LOCATION

2022/23 Extend 12" water main along Lincoln Way to County Line Road (\$320,000)
 2023/24 Prairie View Industrial Center (East Lincoln Way: Teller Avenue to Potter Avenue (\$1,000,000) extend 14" water main along US Highway 69 (Ken Maril south past waterway) (\$525,000)

	TOTAL	2022/23	2023/24	2024/25	2025/26	2026/27
COST:						
Engineering	358,500	64,000	294,500			
Construction	1,486,500	256,000	1,230,500			
TOTAL	1,845,000	320,000	1,525,000			
FINANCING:						
American Rescue Plan Act	1,845,000	320,000	1,525,000			
TOTAL	1,845,000	320,000	1,525,000			

PROGRAM - ACTIVITY: Utilities - Water Distribution
DEPARTMENT: Public Works
ACCOUNT NO.: 122-8470-489