

# NEWS RELEASE

May 15, 2015 – FOR IMMEDIATE RELEASE

## City Council Considers Upper Bee Branch Contract

***Staff recommendation allows project to proceed without increasing planned debt and without increasing previously adopted stormwater rates***

DUBUQUE, Iowa – The May 18 Dubuque City Council meeting agenda includes consideration of two contracts for the Upper Bee Branch Creek Restoration phase of the Bee Branch Watershed Flood Mitigation Project.

Contract one is for the construction of the channel, streets, and utilities and contract two is for structures (bridges, culverts, etc.) related to the creek restoration between Garfield Avenue and East 24<sup>th</sup> Street. This work is scheduled to begin in June.

The engineering estimate of probable cost for contract one was \$18,518,300. Only two bids were received for the project, with the low bid being \$27,819,266 (\$9,300,966 above estimate) from Portzen Construction, Inc. of Dubuque and the high bid \$29,996,692. City staff and the project consultants believe only two bids were received for the project and bids were significantly higher than the estimate because of the complexity of the project, the risk involved with working in a flood zone, and the current abundance of work locally and regionally for contractors.

Since the bid opening on May 7, City staff and project consultants have scrutinized the bids, reviewed estimated project costs, reviewed impacts of rejecting the bids, and developed a recommendation to award the low bid to Portzen Construction, Inc. **The staff recommendation outlines a plan that will allow the contract to be awarded and the project to proceed without increasing planned debt for the project and without increasing previously adopted stormwater rates.** The recommendation will, however, include delaying other phases of the overall Bee Branch Watershed Flood Mitigation Project because it includes shifting funding for other phases of the project to this phase. The City Council has the option to award the contract or reject the bids.

The staff recommendation includes project improvements resulting in \$1.6 million in cost reductions through alternative soil management and placement. To further address the \$9.3 million gap between the project estimate and the low bid, staff are recommending that the work that is not part of this bid involving the railroad property be delayed from 2016 until 2019, the flood protection for the Eagle Point Water Plant on Hawthorne Street be delayed from 2020 until 2023, and 50-70 of the project's 240 green alley reconstructions be delayed beyond 2034 but completed by 2041. These project schedule adjustments will free up for immediate use sales tax increment funds awarded through the Iowa Flood Mitigation Board to fund the additional costs for the Upper Bee Branch Creek Restoration phase of the project. The railroad and water plant projects will still be funded by sales tax increment funds, as planned just later than currently scheduled. The alley reconstructions would be

funded by stormwater utility funds and additional grants, beyond the 20-year watershed project period.

Awarding the contract and completing the project work from Garfield Avenue to East 24<sup>th</sup> Street will create incremental but significant improvements in storage and conveyance of stormwater. The restored creek will create additional capacity to safely move stormwater through the flood-prone area.

If the City rejects the bids for contract one, it would also be necessary to reject the bids for contract two (for the structures). Other outcomes of rejecting contract one bids include: delayed flood protection due to a minimum one-year delay of project completion, loss of up to \$5.3 million in grant funding due to mandatory schedule requirements, and up to \$150,000 to rebid the project. Other considerations related to rejecting the bids include the possibility of modifying the project but not receiving more favorable bids due to an even more competitive bidding environment and increased labor and material costs, resulting in a significant project delay with no measurable cost-savings benefits or additional flood protection.

To read the full staff recommendation, visit [www.cityofdubuque.org/beebranch](http://www.cityofdubuque.org/beebranch). The City Council meeting will be held on Monday, May 18, at 6:30 p.m. in the City Council Chambers on the second floor of the Historic Federal Building at 350 W. Sixth Street. All meetings are broadcast on CityChannel Dubuque (channels 85.2 and 8 on the Mediacom cable system) and streamed live and archived at [www.cityofdubuque.org/media](http://www.cityofdubuque.org/media). The complete City Council agenda and related documents are available at [www.cityofdubuque.org/agendas](http://www.cityofdubuque.org/agendas).

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