

OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA

ITEM 75

CITY COUNCIL COMMUNICATION 97-091  
FEBRUARY 24, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
EAST SIDE TRAFFIC SIGNAL UPGRADING	◆ RESOLUTION ORDINANCE RECEIVE/FILE	HAROLD E. SMITH CITY ENGINEER

**SYNOPSIS —**

On February 18, 1997, the City received bids for the East Side Traffic Signal Upgrading Project. A single bid of \$186,349 (11.3 percent below the engineer's estimate) from Brown Bros., Inc. was received. Staff recommends acceptance of this bid based upon cost, the specialty nature of the work, and past bidding experience with this project.

**FISCAL IMPACT —**

The bid received is for \$186,349 which utilizes Agreement No. 95-TSF-014 between the City and the Iowa Department of Transportation (IDOT) for \$150,000 of Traffic Safety Improvement Program funds, with the remaining \$36,349 of City funds from CIP Account Code 389148, page 339.

**RECOMMENDATION —**

Award of the East Side Traffic Signal contract to Brown Bros., Inc.

**BACKGROUND —**

On August 16, 1996, bids were accepted for this same project. A single bid was also received at that time from Brown Bros., Inc.; however, the amount bid of \$241,258 was 60.7 percent over the engineer's estimate of \$150,000. On August 26, 1996, the Des Moines City Council rejected this bid based upon the excessive percent above the estimate and the single bid.

A rebid date of February 1997 was set for this project, and the engineer's estimate was adjusted to reflect the high demand of this type of work within the Metro over the 1996-97 construction seasons. Staff has noted that for the last three to four years there have been only two active traffic signal contractors within the Des Moines market. The primary reasons for such a lack of competition are that this work is of a specialty technical nature, the work requires unique equipment which is not useful for the majority of either commercial or residential electrical work, and that the work requires knowledgeable specialized labor which is difficult to maintain given the seasons, cyclical nature of traffic signal projects.

The current bid price submitted is well within reasonable expectations for this project. The demand for this type of work is at an all-time high given that there are a number of 1996 traffic signal projects being carried over to the 1997 construction season and that a number of new traffic signal projects are already being bid for the same 1997 season.

Staff recommends acceptance of this bid based upon the 11.3 percent below engineer's estimate cost, the specialty nature of the work, and past bidding experience with this project. Furthermore, it is anticipated that a rebid of this project would generate no additional interest at this time, would not lower bid prices, and would jeopardize the \$150,000 in Traffic Safety Funds which must be expended by October 31, 1997.