

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 27, 2010
	Agenda Item No.	56
	Roll Call No.	<u>10-1608</u>
	Communication No.	<u>10-578</u>
	Submitted by:	Jeb E. Brewer, P.E. City Engineer

AGENDA HEADING:

Hearing on Asbestos Removal at Southern Meadows Apartments, 2800 SE 8th Street: Resolution approving plans, specifications, form of contract documents, engineer's estimate, receive and file bids and designating lowest responsible bidder as REW Services Corporation, Pete Walter, President, 6864 NE 14th Street, Suite 4, Ankeny, IA 50023, \$32,035.

SYNOPSIS:

This is a public hearing to allow for public input on the Asbestos Removal at Southern Meadows Apartments, 2800 SE 8th Street and take the necessary actions as required by Iowa Code to authorize a contract for construction of the proposed project. This project includes removal of asbestos containing materials prior to demolition of the 1953 addition to the Southern Meadows Apartments (approximately the west half of the building) at 2800 SE 8th Street, Des Moines, Iowa, and protection of the original historic structure which will remain in place and be available for rehabilitation (approximately the east half of the building).

FISCAL IMPACT:

Amount: \$32,035 Construction Contract (\$25,000 City Engineer's Estimate)

Funding Source: FY11 Operating Budget, Page 71, Neighborhood Stabilization Program (NSP) - Southern Meadows, CDBG2008901, Various Funding, Being: Community Development Block Grant (CDBG), NSP funds contracted by the Iowa Department of Economic Development (IDED)

ADDITIONAL INFORMATION:

On June 8, 2009, by Roll Call No. 09-996, the City Council approved the contract with the IDED to allocate \$3.9 million of NSP. The plan calls for the City to work with a coalition of housing agencies to purchase and redevelop foreclosed and abandoned housing units. As part of the NSP plan, staff expressed an interest in finding larger-scale redevelopment projects that could benefit from this program which were unlikely to occur without a subsidy. One such site is the Southern Meadows Apartments at 2800 S.E. 8th Street, which was a 34-unit apartment building previously owned by the Iowa Finance Authority (IFA). IFA took ownership of the property in December 2008, after receiving a deed-in-lieu-of foreclosure, and closed the building before the City of Des Moines acquired the property under Roll Call No. 09-1743 dated September 28, 2009.

This demolition/asbestos removal is a part of a comprehensive plan to redevelop the site. On September 13, 2010, by Roll Call No. 10-1478, the City Council awarded a consultant contract with Confluence, Chris Della Vedova, Principal, 1300 Walnut Street, Suite 200, Des Moines, Iowa, 50309, to complete a conceptual redevelopment plan for the site. This plan will examine the neighborhood preferences, real estate market analysis, and an infrastructure analysis of the site and recommend redevelopment options. Once this is completed, the site will be rezoned and sold to a developer via a competitive RFP process and redevelopment will occur.

On August 23, 2010, under Roll Call No. 10-1355, the City Council received and filed plans, specifications, form of contract documents, and City Engineer's estimate for the construction of the Asbestos Removal at Southern Meadows Apartments, 2800 SE 8th Street. 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 Asbestos Removal at Southern Meadows Apartments, 2800 SE 8th Street, 25-2010-096. The improvement includes removal of asbestos containing materials prior to demolition of the 1953 addition to the Southern Meadows Apartments (approximately the west half of the building) at 2800 SE 8th Street, Des Moines, Iowa. Asbestos containing materials to be removed include floor adhesive, elevator brake pads, mopboards, mopboard adhesive, pipe insulation, and pipe fitting insulation; all in accordance with the contract documents.

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

Pro Environmental Abatement, Des Moines, IA
REW Services Corporation, Ankeny, IA
Lindstrom Environmental, Plymouth, MN
Mid-Iowa Environmental, Des Moines, IA
Robinson Brothers Environmental, Inc., Waunakee, WI

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 September 14, 2010. Of the five sealed bids received, the lowest bid was from Pro Environmental Abatement, Robert V. Jorgenson, President, 1533 Ohio Street, Des Moines, IA, in the amount of \$23,683 with the next lowest bid being from REW Services Corporation in the amount of \$32,035.

On September 24, 2010, Rebecca Jorgensen, Vice President, Pro Environmental Abatement, submitted a letter to the City Engineer requesting that its bid be withdrawn and bid security returned because Pro Environmental Abatement could not provide insurance as required by the City of Des Moines.

On May 17, 2004, under Roll Call No. 04-990, the City Council adopted a bid evaluation policy which states that after bids are opened, if the low bidder claims that it has made a serious error in the preparation of its bid, and can support such a claim with evidence satisfactory to the City, said bidder will be allowed to withdraw its bid and its bid security shall be returned; provided however, as a condition for return of its bid security, said bidder shall be required to agree that it will not be allowed to again bid on the project, either as a prime bidder or as a subcontractor, if the project, or a substantial portion of the project, is rebid within six months of the first bid opening.

Pro Environmental Abatement has not made a significant calculation error in preparation of its proposal, but instead is unable to provide insurance in accordance with the specifications. In the past, the City

Council has allowed bidders to withdraw their bid and return bid security if the bidder is unable to provide insurance acceptable to the City. The most recent examples are:

- August 20, 2007, under Roll Call 07-1675, where the City Council allowed ProShot Concrete, Inc. from Florence, Alabama, to withdraw its bid.
- January 8, 2007, under Roll Call 07-078, where the City Council allowed Whitewater West Industries from British Columbia, Canada, to withdraw its bid.

If the bidder cannot provide acceptable insurance, the bidder should not be considered responsible, and the City of Des Moines should not award a contract to a non-responsible bidder.

The funding agreement for the project with CDBG, NSP funds through the IDED requires that the construction contract for the work must be awarded before the end of September 2010. There is not adequate time to rebid the work without losing the project funding, so the City Engineer recommends that the City should proceed with award to the next lowest bidder, being REW Services Corporation. The City can only recover from the bid security the actual damages to the City, which are minimal; and cannot recover the difference between the two bids. The City Engineer therefore recommends that Pro Environmental Abatement be allowed to withdraw its bid and the bid security be returned to Pro Environmental Abatement, subject to REW Services Corporation entering into contract for this project.

The City Engineer has determined that the lowest responsive, responsible bid for the construction of said improvement was submitted by REW Services Corporation in the amount of \$32,035, 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 13, 2010

Roll Call Number: [10-1476](#)

Action: [Proposal](#) from Confluence (Chris Della Vedova, Principal) for concept planning services to examine redevelopment options for the Southern Meadows Apartments, not to exceed \$24,950. ([Council Communication No. 10-558](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: August 23, 2010

Roll Call Number: [10-1355](#)

Action: Ordering construction of the following: [Southern Meadows Apartments](#), 2800 SE 8th Street, Asbestos Removal: Receiving of bids, (9-14-10), Setting date of hearing, (9-27-10). (Construction Estimate - \$25,000). ([Council Communication No. 10-530](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: September 28, 2009

Roll Call Number: [09-1743](#)

Action: [Establishing](#) Fair Market Value and authorizing acquisition of Southern Meadows Apartments at 2800 and 2810 SE 8th Street. ([Council Communication No. 09-691](#)) Moved by Coleman to adopt. Motion Carried 7-0.

Date: June 8, 2009

Roll Call Number: 09-996

Action: [Neighborhood](#) Stabilization Program Contract with the Iowa Department of Economic Development (IDED). Moved by Vlassis to adopt. Motion Carried 7-0.

Date: February 23, 2009

Roll Call Number: 09-341

Action: [On](#) the City's plan to spend CDBG Neighborhood Stabilization Program Funds. ([Council Communication No. 09-105](#)) Moved by Coleman 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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