

**Fiscal Comments
Commission Meeting
July 23, 2024
Regular Meeting**

Policy Report PWD No. 24-29

**Consider Approval of Contract Change Order No. 1 for City Hall Parking Lot & 7th Street
Component of the 2023 Pavement Management Program**

City Project No. 2020-990

Finance Project No. I2101

In June 2023, the City Commission approved a contract with Baker Construction for the rehabilitation of the City Hall parking lot and the 7th Street component of the 2023 Pavement Management Program project. This project was designed to address needed improvements to the pavement condition, drainage issues, and construct ADA-compliant sidewalks and ramps. These two portions of the project were combined to obtain the most competitive construction bid. The initial purchase order was approved in June 2023 with construction beginning in September. All contracted tasks were satisfactorily completed in May 2024.

During the course of the project it was necessary to have the contractor perform extra, unforeseen work. Additionally, certain jobs experienced under-runs of various line items. Major cost increases are listed below:

Major Additional Requirements (not all inclusive)	Cost Increase
Drainage issue and curb inlet top at City Hall	~\$7,700
Curb inlets on N 7 th St	~\$12,000
Additional concrete needed for construction of ADA ramps	~\$13,750
Additional concrete needed for pavement	~\$56,000

The total requested increase to this contract is \$109,265.09 which represents a 19.2% increase in cost from \$570,324.50 to \$679,589.59.

Staff recommends the City Commission approve Change Order No. 1 in the amount of \$109,265.09 to cover unforeseen costs with the 2023 Pavement Management Program projects.

Policy Report No. FD # 2024-02

Consider Award of Bid for Fire Station #1 HVAC Replacement Project

Finance Project No. F2303

During the 2024 Annual Operating and 2024 – 2028 CIP Budget process, the City Commission approved \$106,000 for the replacement of the HVAC system and components at Fire Station #1.

The current system at Fire Station #1 is 24 years old and has reached the end of its useful life. It has needed an increasing amount of costly repairs to continue functioning over the past two years and utilizes R-22 refrigerant that has since been made illegal in the United States. A new HVAC system will utilize a more efficient condenser with new refrigerant to maintain a comfortable climate in the station.

The City published a Request for Proposal for this project, and received only one proposal/bid:

Vendor	Amount
D'Agostino Mechanical Contractors, Inc.	\$83,350

During the RFP process, it was also determined that the current air handler requires a new fan motor which was quoted as an additional \$4,600 above the base bid.

Staff recommends the City Commission approve the base bid from D'Agostino Mechanical Contractors as well as the supplemental cost for replacing the air handler for a total, combined cost of \$87,950.

Policy Report No. FD # 2024-03

**Request for Approval of Purchase of Fire Apparatus for the Fire Department
Finance Project No. F2302**

During the 2024 Annual Operating and 2024 – 2028 CIP Budget process, the City Commission approved \$1,300,000 for the purchase of a new Apparatus for the Fire Department.

Utilizing the Houston Galveston Area Council (H-GAC) cooperative purchasing, the City obtained quotes on comparable apparatuses from the following vendors:

Company	Base Total Bid
Conrad Fire Equipment, Olathe, KS (Pierce)	\$1,419,249.91
North Central Emergency Vehicles, Lincoln NE (E-One)	\$1,445,000.00
Hays Fire and Rescue, Hays, KS	\$1,549,551.00

With build and delivery time taken into account, the City will not be expected to receive the new apparatus for approximately 48 months. Additionally, the trade-in allowance for the replaced apparatus is expected to be \$30,000. Though the programmed amount in the City's 24-28 Capital Improvement Plan was only \$1,300,000, Staff anticipated a continued rise in prices and planned an adequate budget wedge in the 2025 Operating Budget to absorb the cost of this purchase.

Staff recommends approval to proceed with the purchase of a 75' Pierce Aerial Truck from Conrad Fire Equipment via H-GAC cooperative purchasing for \$1,419,249.91.

Policy Report

Consider Approval of Bid for Sale of State Rehabilitation Tax Credits

The City is in possession of \$81,998 in Kansas State Rehabilitation Tax credits from qualifying expenditures on the Riverfront Community Center in March 2024. These tax credits cannot be used by the City but can be sold to interested organizations.

The City solicited bids from the public for the sale of these credits and received only one bid. Commerce Bank bid 90%, or \$73,798.20 for the credits.

As the earning of State Rehabilitation tax credits is unforeseen during budget-year planning, this revenue is not programmed within the 2024 budget.

Staff recommends that the City Commission accept the bid from Commerce Bank for the purchase of the City's State Rehabilitation Tax credits for \$73,790.20.