City of Stoughton, 381 E Main Street, Stoughton WI 53589

RESOLUTION OF THE COMMON COUNCIL

Authorizing and directing the proper City official(s) to enter into an agreement with Kenneth F. Sullivan Co. for the 2018 New Public Works Facility Project.

Committee Action: Finance Committee meets February 13, 2018

Fiscal Impact: $7,544,300

File Number:	R-18-2018	**Date Introduced:**	February 13, 2018

WHEREAS, The City of Stoughton has been purchasing land in preparation for the new Public Works Facility; and

WHEREAS, The City evaluated the project budget and moved forward with the design and bidding process in 2017; and

WHEREAS, The architect's estimate for the base construction project and the roof top solar power system was $8,523,232; and

WHEREAS, The City received seven competitive bids for the 2018 New Public Works Facility project; and

WHEREAS, The architect has reviewed the bids and recommends awarding the contract to the low bidder, Kenneth F. Sullivan Co. for the base bid amount of $7,327,000; and

WHEREAS, Bid Alternate #2 (Roof Top Solar Power System) for $217,300 offers an environmentally conscious option that is recommended for a total construction contract price of $7,544,300; and

WHEREAS, it is recommended that the construction project carry a 5% contingency ($377,215); and

WHEREAS, Several other items are to be financed as part of the overall project such as: remaining consultant fees, insurance, asbestos/lead paint/hazardous material abatement, fixtures/furniture/security, permit and inspection services, compost site prep, electric service charges, etc. These expenses are estimated to be $380,600, and

WHEREAS, the City plans to borrow $8,450,000 to cover the construction, contingency and remaining expenses for this project. Now, therefore

BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) is hereby directed and authorized to enter into an agreement with Kenneth F. Sullivan Co. for $7,544,300 and allow the Mayor, Finance Director and Director of Planning & Development to evaluate and authorize project changes not to exceed the project contingency of $377,215.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Donna Olson, Mayor Date

Council Action: _____ ☐ **Override** **Vote** _____

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CITY OF STOUGHTON
DEPARTMENT OF
PLANNING & DEVELOPMENT
381 East Main Street, Stoughton, WI. 53589

(608) 873-6619 www.ci.stoughton.wi.us

RODNEY J. SCHEEL
DIRECTOR

Date: January 31, 2018

To: Finance Committee

From: Rodney J. Scheel
Director of Planning & Development

Subject: Public Works Facility Project

Bids for construction of the above project were opened on January 25th. We received seven prime contractor bids. (See attached Bid Tab Summary.) After reviewing the bids with our consultant, Angus-Young Associates, we recommend awarding the project to the low bidder, **Kenneth F. Sullivan Co. of Madison for the Base Bid of $7,327,000.** (See attached Memo from Angus-Young.) We do not recommend accepting Alternate Bid No. 1(-$87,400) to construct the Cold Storage building utilizing a Pre-Engineered Metal Building in lieu of Precast Tilt-Up Concrete Wall Panels. The precast tilt-up construction found in the base bid offers a long-term durable construction method and will match the main facility. We do recommend **accepting Alternate Bid No. 2 (Roof Top Solar Power System) for $217,300. Including the Base Bid and Alternate Bid No. 2, the total recommended construction contract amount is $7,544,300.** The Designer's October estimated construction cost for the base bid with Bid Alternate No. 2 was $8,523,232. Therefore, the low bid came in $978,932 under the estimate.

Along with the construction contract amount above we recommend carrying a 5% construction contingency. Several other items will need to be financed as part of the overall project such as: remaining consultant fees, insurance, asbestos/lead paint/hazardous material abatement, fixtures/furniture/security, permit and inspection services, compost site prep, electric service charges, etc. **Including these items, we recommend borrowing $8,450,000 in 2018 for this project.** In October, 2017 we presented various building options and the projected 2018 borrowing for the base bid and the solar option was $9,163,311.

This project budget includes a number of items that were not anticipated as part of early project estimates such as:

- Additional acquisition and relocation expenses for Kirby Property - $86,668
- Acquisition of additional 55 acres - $226,861
- Initial Compost Site Preparation - $75,000

If you have any questions, please contact me.

Enclosures

cc. Mayor Donna Olson
Finance Tammy LaBorde
Public Works Director Brett Hebert

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Angus Young
Balance in Creativity
Angus-Young Associates
555 South River Street
Janesville, WI 53548-4783
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BID TALLY

New Public Works Facility - Stoughton, Wisconsin

AYA Project Number 51381
January 25th, 2018 2:00 PM (CST)

Bidding Contractor	Bid Bond 00 43 13	Adendum No. One	Adendum No. Two	Adendum No. Three	Adendum No. Four	Change Order Percentage	Calendar Days of Construction	Base Bid No. 1 General Construction - Drawings and Divisions 0-33 of the Project Manual	Alternate Bid No. 1 Cold Storage Pre-Engineered Metal Buidling Substitution	Alternate Bid No. 2 Roof Top Solar Power System	Base Bid Plus Alternate No. 1	Base Bid Plus Alternate No. 2	Base Bid Plus Alternate No. 1 and Alternate No. 2
McKee Associates, Inc	X	X	X	X	X	10.0%	275	$7,795,000	($50,000)	$275,000	$7,745,000	$8,070,000	$8,020,000
Rockford Structures	X	X	X	X	X	10.0%	365	$8,058,000	($20,000)	$227,000	$8,038,000	$8,285,000	$8,265,000
Corporate Contractors Inc.	X	X	X	X	X	10.0%	275	$7,529,609	($58,348)	$230,308	$7,471,261	$7,759,917	$7,701,569
Joe Daniels Construction	X	X	X	X	X	10.0%	270	$7,740,000	$0	$225,000	$7,740,000	$7,965,000	$7,965,000
Vogel Brothers	X	X	X	X	X	10.0%	275	$7,387,755	$4,000	$176,560	$7,391,755	$7,564,315	$7,568,315
Miron	X	X	X	X	X	15.0%	275	$7,378,613	$79,569	$179,689	$7,458,182	$7,558,302	$7,637,871
Kenneth F. Sullivan Co.	X	X	X	X	X	10.0%	270	**$7,327,000**	($87,400)	$217,300	**$7,239,600**	**$7,544,300**	**$7,456,900**

Angus Young
Balance in Creativity
Architecture
Engineering
Interior Design

PROJECT MEMO

TO: Mr. Rodney Scheel **January 30th, 2018**

COMPANY: City of Stoughton

FROM: Brad Werginz, AIA - Project Architect

RE: Recommendation of Award of Construction Contract

PROJECT: City of Stoughton Public Works Facility

Introduction

The purpose of this memo is to summarize the results of the construction bids received for Stoughton's New 82,789 S.F. Public Works Facility and Salt Storage outbuilding, present analysis of the bid documents and supplemental information submitted by the apparent low bidder, and make a recommendation for the award of a construction contract.

Bid Summary

Bid documents were released by Angus Young & Associates on December 28th, 2018. A 28 day bidding period was provided, with a non-mandatory pre-bid meeting conducted on January 11th, 2018 for all interested bidders. Site access was provided on January 17th, 2018 for contractors interested in touring the on site structures.

A total of Seven (7) bids were received at City Hall and were publicly read aloud on January 25th, 2018, immediately following the 2:00 pm deadline for bid submittals.

Each bidder proposed costs for constructing a new public works facility and attached cold storage building, a new salt storage shed, and all associated site development as detailed in the bidding documents prepared by Angus Young.

Alternate bid 01 was solicited to substitute pre-engineered metal building construction for the 14,000 S.F. tilt up concrete wall panel cold storage portion of the building as a potential cost-saving measure.

Alternate bid 02 was solicited to design and build a roof top solar array system capable of producing power for the electrical needs of the building.

Bidders also submitted a change order percentage to indicate the contractor's mark-up on any changes resulting in additional costs during construction, as well as a construction duration expressed in calendar days to completion.

Base bid amounts ranged from **$7,327,000** to $8,058,000 for all work. The three lowest bids were within $61,000 (0.8%) of each other. The bid tabulation is enclosed. These bid amounts are all favorable compared to the estimated construction costs most recently considered by the Common Council, which included the following items:

Salt Shed	$214,433
Soil Improvements / Site Preparation/Storm Water	$1,053,035
Cold Storage Addition	$752,640
Building Construction	$6,322,764
Estimated Total	$8,342,872

6 of 7 bidders included construction duration times within the time allotted for construction. It was noted in the bid package that construction could commence as early as April 1, 2018 and must be substantially completed by December 31, 2018. This would allow up to 275 calendar days to reach substantial completion, with finish site work (finish paving and landscaping) completed in spring of 2019.

Of the seven bids, the two lowest bidders were asked to submit supplemental information including unit prices, list of subcontractors, and substitution request forms. Both low bidders submitted the requested information within the allotted 24 hour time period.

Base Bid Information Analysis

Low Bid – Kenneth F. Sullivan Co. (Madison, WI) - $7,327,000

In reviewing the bid and supplemental information submitted by Sullivan Design/Build (Madison, WI), no irregularities were noted.

Second Low Bidder – Miron Construction Company, Inc. (Neenah, WI) - $7,378,613

In reviewing the bid and supplemental information submitted by Miron Construction Company (Neenah, WI), no irregularities were noted.

- Miron's bid included a change order percentage of 15% vs. Sullivan's 10%.
    - A lower change order percentage is more favorable to the City.
    - A higher percentage mark-up can add cost to change order work during construction. This 5% difference can result in approximately $12,500 of added cost for a project this size.

Alternate Bid 01 – Construct Cold Storage Building with Pre-Engineered Metal Building Components

Sullivan Bid = Deduct of $87,400

Miron Bid = Add of $79,569

The primary advantage of tilt-up concrete walls over pre-engineered steel would be the long-term durability of concrete in a wet and corrosive (salt) interior environment typical of a public works facility, as well as resistance to weather and the exterior environment. Concrete wall panels are much less susceptible to damage/denting from impact or fading of the exterior finish due to UV exposure.

The metal building alternate would also substitute a sloped standing seam roof in lieu of the base bids internally draining TPO (thermoplastic polyolefin) membrane roof. The base bid's roof runoff would be collected at internal roof drains and plumbed to underground storm sewer pipes. This can alleviate potential problems with rain, snow, and ice sheeting from the building perimeter that would be associated with the standing seam metal roof included in the alternate. However, the warranty for a TPO roof is limited to 30 years, whereas standing seam roofs have proven to last much longer without replacement.

The metal roof deck and rigid insulation with the base bid tilt-up concrete building system would be replaced by a white vinyl scrim that would be used to support the roof batt insulation in the Alternate bid metal building, which would decrease durability to the building's ceiling insulation. The base bid's metal decking with rigid insulation above would not only eliminate sagging over time, but would also prevent water vapor intrusion into the insulation that would reduce its effectiveness.

From an energy efficiency standpoint, both the pre-engineered steel and tilt-up concrete panel buildings were modeled using a performance based efficiency calculator. It is expected that the overall building energy performance of the tilt-up concrete walls with rigid ceiling insulation will be somewhat better than the alternate bid building with steel wall panel and batt insulation if future heating is implemented. This can be partially attributed to the thermal mass of concrete which helps retain building temperature, and the reduction in quantity of thermal breaks and thermal bridging that the steel building would have.

Tilt-up concrete wall construction with an exposed aggregate finish can also be perceived as more aesthetically pleasing than steel panel siding.

Alternate Bid 01 – Design and Construct a roof top solar array power system

Sullivan Bid = $217,300

Miron Bid = $179,689

This alternate bid covers the cost for the Contractor to provide a total "turnkey" roof top solar array power system. This includes all necessary equipment, materials, design, manufacturing and installation services for the installation of a Roof Mounted utility-interactive photovoltaic system that shall produce a minimum of 130,936 kWh AC per year at the point of interconnection, approximately 99.9 kW DC capacity. It is intended that this system will serve a majority of the electrical needs for this facility. Excess system capacity, for producing more power than needed and sending back into the grid system, is not intended at this time.

The estimated annual energy value for this system is: $13,094

The estimated payback period ($217,300 / $13,094) is: 16.6 Years

Recommendation of Award

Each of the two low bidders presented in this memo are highly qualified contractors that have the expertise and experience necessary to construct a quality building for the City of Stoughton. It is the recommendation of Angus Young for the City of Stoughton to award the construction contract to Kenneth F. Sullivan Co. for all base bid work, as they were the lowest bid received.

It is the opinion of Angus-Young that the proposed cost savings for substituting pre-engineered building construction for the cold storage portion of the project, as included in alternate bid 01, not be accepted based on the advantages previously listed. Keeping the tilt up concrete construction included in the base bid work will provide sufficient added value to the City of Stoughton over the life of the building in the form of lower operating costs and reduced maintenance that will more than offset the cost savings proposed in Sullivan's alternate bid 01.

Alternate add bid 02, for a roof top solar power system ($217,300), is to be reviewed by the Council for incorporation in the project and construction contract. Incorporating renewable energy concepts into the construction of municipal projects is an effective way to control energy costs, reduce greenhouse gas emissions, and promote renewable energy to the citizens of Stoughton.

Respectfully,

Brad Werginz, AIA, Project Architect

encl: Bid Tabulation

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Joe Daniels Construction	X	X	X	X	X	10.0%	270	$7,740,000.00	$0.00	$225,000.00
Vogel Brothers	X	X	X	X	X	10.0%	275	$7,387,755.00	$4,000.00	$176,560.00
Miron	X	X	X	X	X	15.0%	275	$7,378,613.00	$79,569.00	$179,689.00
Sullivan	X	X	X	X	X	10.0%	270	$7,327,000.00	-$87,400.00	$217,300.00