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CC Regular Session

4. 8.

Meeting Date: 10/14/2014

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Information

Title:

Adopt Resolution #14-10-212 Rejecting Bids and not Award Contract for Improvement Project #14-28, Ramsey Municipal Parking Ramp

Purpose/Background:

Purpose:

(1) The purpose of this case is to reject bids and not award a contract for Improvement Project #14-28, Parking Ramp Improvement Project; new garage space. The number of responses were low, and bids came in high. Attached is a Resolution to officially adopt this action.

(2) The purpose of this case is to authorize a second round of bidding for Improvement Project #14-28. Recommended bid letting timeframe is February 2015.

Background (case):

This case was last discussed by the City Council on August 11. At the August 11 regular City Council meeting, Staff received direction to let bids.

Background (project)

For details, see attached case write-up and minutes from the February Council meeting. In summary, the proposed garage would be located on the first floor, east side, of the Ramsey Municipal Parking Ramp and would enclose 14 existing parking stalls. The proposed garage would provide heated space, with overhead door access, for the storage of building maintenance equipment, some public works equipment, some police equipment, City staff vehicles (engineering, admin, building, maintenance, etc.) and event supplies. At this point, other existing storage options are either at capacity/ inefficient/or short-term. This project is being managed by LSA Design.

Background (bid process):

Attached are case write-ups and meeting minutes from each step in the process design and bid this project (preliminary design in February, final design in May and bid letting in August).

On September 17th, bids were publicly opened, read aloud, and checked for errors and omissions. A total of two bids were received and found to comply with the advertisement for bids. Bid prices were not favorable and ranged from 1.82 to 2.3 times higher than the LSA Engineer's estimate for construction costs; which was \$193,930. A tabulation of the bid results is included below.

BIDDING CONTRACTOR	TOTAL BID
Sheehy Construction Company	\$452,300
Derau Construction	\$354,300

Notification:

By order of the City of Ramsey, Minnesota: August 11, 2014

Published: Anoka County Union Herald: August 29, 2014; September 5, 2014; September 12, 2014

Finance and Commerce: August 29, 2014; September 5, 2014; September 12, 2014

Observations/Alternatives:**Alternatives:**Alternative #1 - Motion reject bids and not award contract for Improvement Project 14-28. (staff recommendation)

Bid prices were not favorable and ranged from about 1.83 to 2.3 times higher than the LSA Engineer's estimate for construction costs; which was originally \$193,930. Attached to this case is a MEMO from LSA Design explaining why the bids came in high (multiple), outlining their recommendation for moving forward (re-bid), identifying a new project timeline (re-bid in February, completion by July) and providing an updated construction estimation (\$249,420).

Re-bidding project 14-28 this winter may lend the City to a more favorable bidding climate; and result in lower bid responses. With final plans and bid responses in-hand, the Council will be in position to consider authorizing construction of the proposed garage this Spring.

The drawback to this alternative is another winter for the City's Building Maintenance Department (along with other departments) to operate without needed storage space. This alternative has been discussed with the City's Building Maintenance Department. Alternative storage strategies will be utilized over the winter.

Alternative #2 - Motion to accept bids and award a contract to Derau Construction in the amount of \$354,300 for Improvement Project 14-28.

The benefit to this alternative is the City's Building Maintenance Department's needs would be met in time for winter. The drawback to this alternative is paying a premium for a project that was/is anticipated to cost less; if a re-bidding is authorized.

Funding Source:

Public Facility Construction Fund. The Public Facility Construction Fund is used to fund the acquisition of land and construction for public facilities. Examples uses of this fund include the design of the new municipal center/police station and remodel of old city hall.

This fund has an estimated 2014 ending balance of \$435,093 (prior to this project). The majority of this fund balance is attributed to a transfer from the 2013 General Fund per the City's excess revenue fund policy in the amount of \$286,600.

Project Budget:

Construction Costs (original) \$193,930
Construction Costs (updated) \$249,420
Soft Costs/Permits/Legal (25%) \$62,355

Recommendation:

Motion to:

Reject bids and not award a contract for Parking Ramp Garage Improvement Project 14-28

-and-

Authorize second bid letting for Parking Ramp Garage Improvement Project 14-28

NOTE: staff would anticipate following the timeline identified and recommended by LSA Design (re-bid in

February)

Action:

Motion to:

Adopt Resolution #14-10-212 Rejecting Bids and not Award Contract for Improvement Project #14-28, Ramsey Municipal Parking Ramp
-and-

Authorize second bid letting for Parking Ramp Garage Improvement Project 14-2

Attachments

RESOLUTION 14 10 212 REJECTING BIDS

LSA MEMO (why bids were high and recommendation)

Preliminary Design (engineers estimation)

02252014 ccws case (authorize prelim design)

02252014 ccws minutes (authorize prelim design)

06242014 ccws case (authorize final design)

06242014 ccws minutes (authorize final design)

08112014 ccrs case (approve final design and let bids)

08112014 ccrs minutes (approve final design and let bids)

Ad For Bids Publications

Form Review

Inbox	Reviewed By	Date
Kurt Ulrich	Kurt Ulrich	09/18/2014 01:33 PM
Bruce Westby	Bruce Westby	10/09/2014 09:31 AM
Kurt Ulrich	Kurt Ulrich	10/09/2014 10:32 AM
Form Started By: Patrick Brama		Started On: 09/17/2014 08:53 AM
Final Approval Date: 10/09/2014		