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CC Regular Session

7. 4.

Meeting Date: 03/10/2015

Submitted For: Patrick Brama, Administrative Services

By: Patrick Brama, Administrative Services

Information

Title:

Adoption Resolution #15-03-071 Accepting Bids and Awarding Contract for Improvement Project #14-28, Ramsey Municipal Parking Ramp

Purpose/Background:

Purpose:

The purpose of this case is to accept bids and award a contract for Improvement Project #14-28, Parking Ramp Improvement Project; new garage space.

Background (case):

This case was last discussed by the City Council in October 2015; at which time, responses to the FIRST attempt at bidding were presented (attached to this case). Due to the low number of bid responses (2) and the high price of responses, the Council provided direction to reject bids and re-bid the project a second time in early 2015. The SECOND bid attempt was to include alternative design options to reduce project costs; an updated estimated project budget from the project manager (LSA Design); and was to be let at a more favorable time in the year (late winter versus fall).

Background (project)

For details, see attached case write-ups from previous council discussions. 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 storage options are either at capacity/ inefficient/or short-term. This project is being managed by LSA Design.

Notification:

NA

Observations/Alternatives:

Observations:

Attached to this case is a memo from the project coordinator (LSA Design). This memo outlines an overview of the SECOND bid process, bid tabulation, comments, and a recommendation from LSA Design. In summary, the lowest responsible bidder was \$298,440. LSA's estimated construction costs were \$249,420. Although the lowest bidder came in above the LSA estimation, it is believed the lowest bid is competitive and fair for current market conditions. The current bid is \$55,860 lower than the low construction bid from last Fall.

Alternatives:

#1 - Award contract (staff recommendation)

- (+) storage issues/needs for the City's Building Maintenance and Police Departments would be solved.
- (+) five bids were received, and LSA Design believes the lowest responsible bid is fair/ competitive/ market.
- (+) improving and utilizing space in the existing parking ramp is more cost effective than constructing a new stand alone building on a different property.
- (-) the lowest responsible bid came in about \$50,000 higher than LSA Design's estimation. NOTE: sufficient funding exists in the Facilities Fund to cover this cost (see funding source for details).

#2 - Re-bid project.

- (+) minor chance bids would come back significantly lower.
- (-) more than likely, bids would not come back significantly lower.
- (-) additional professional service dollars incurred for a third bidding process (about \$3,000-\$6,000 depending on variables).
- (-) project completion would be pushed back resulting in negative operation effects to Building Maintenance and Police Departments (temporarily).

#3 - Cancel project

- (+) City would save dollars on remaining costs associated with completing this project (construction plus remaining LSA Design professional services = about \$303K + \$22K).
- (-) Not capitalizing on previous work completed for this project--now sunk costs (about \$22K in LSA Design professional services and staff time).
- (-) Not solving the need for additional storage space.

Funding Source:

Public Facility Construction Fund. The Public Facility Construction Fund is used to fund the acquisition of land and construction of 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 a beginning balance of \$740,567 in 2015. The majority of this fund balance is attributed to a transfer from the 2013 and 2014 General Fund per the City's excess revenue fund policy in the amount of \$ 286,613 and \$274,760.

Project Budget:

Construction Costs \$303,440 (\$298,000 BASE BID + ALT BID #2 \$5,000)
 Soft Costs/Permits/Other \$62,355
 TOTAL \$365,795

NOTE: about \$22,000 in soft costs has already been paid to-date via the facilities fund.

Recommendation:

See alternatives.

Action:

Motion to:

Adoption Resolution #15-03-071 Accepting Bids and Awarding Contract for Improvement Project #14-28.

Attachments

- RESOLUTION 15 03 071 (Purpose of case)
- BID ATTEMPT 2 (February 2015) Purpose of Case

BID ATTEMPT 1 (October 2014)

02252014 ccws case (authorize prelim design)

06242014 ccws case (authorize final design)

08112014 ccrs case (approve final design and let bids)

10142014ccrs case (re bid project)

Form Review

Inbox

Bruce Westby

Kurt Ulrich

Form Started By: Patrick Brama

Final Approval Date: 03/04/2015

Reviewed By

Bruce Westby

Kurt Ulrich

Date

03/04/2015 04:02 PM

03/04/2015 05:48 PM

Started On: 03/03/2015 12:25 PM