



**Special Meeting Agenda
City Council**

5:15 p.m. Special Meeting
Monday, February 29, 2016
Fire Station Meeting Room
820 N. Dakota Street
Vermillion, South Dakota 57069

1. **Roll Call**
2. **Bid Openings – Prentis Park Swimming Pool Contracts #1, 2 and 3.**
3. **Informational Session – Presentation of the Vermillion Fire Department annual report.**
4. **Informational Session – Tour of Fire Station #1.**
5. **Adjourn**

Access the City Council Agenda on the web – www.vermillion.us

Addressing the Council: Persons addressing the Council shall use the microphone at the podium. Please state your name and address. Presentations are limited to 5 minutes. For those who do not appear on the agenda, no decision is to be expected at this time.

Meeting Assistance: If you require assistance, alternative formats and/or accessible locations consistent with the Americans with Disabilities Act, please contact the City Manager's Office at 677-7050 at least 3 working days prior to the meeting.

Council Meetings: City Council regular meetings are held the first and third Monday of each month at 7:00 p.m. If a meeting falls on a City holiday, the meeting will be scheduled for the following Tuesday.

Live Broadcasts of Council Meetings on Cable Channel: Regular City Council meetings are broadcast live on Cable Channel 3.

As a courtesy to others, we ask that cellular phones and pagers be turned off during the meeting.

Council Agenda Memo

From: John Prescott, City Manager
Meeting: February 29, 2016
Subject: Prentis Park Swimming Pool Bids
Presenter: John Prescott & Jim Goblirsch

Background: The City of Vermillion opened bids on Thursday, February 18 at 2:00 p.m. for the swimming pool. Construction of the swimming pool was broken into three contracts. Contract #1 is for pool construction, Contract #2 is for pool mechanical construction, and Contract #3 is for general construction related to the project. Contractors could bid on one, two or three of the contracts or a combination of the contracts. One bid was opened for Contract #1, one bid for a combination bid on Contracts #1 and 2, and one bid for Contract #3.

Discussion: As the lowest responsible bids exceeded the estimated project costs, Burbach Aquatics, as the City's representative, negotiated with the low bidder for Contracts #1 and #2 to review their bid and to potentially reduce their combination bid. The City's consultant and staff are working with the low bidders to determine the most cost-effective approach for the City. After considerable discussion, Mechanical, Inc. has agreed to reduce their combination bid. Mechanical, Inc. will reduce their bid to be the equivalent of the work needed to complete Contract #2. The new bid price for Mechanical, Inc. is \$935,000. This will reduce the project costs by \$201,151 without reducing the project.

The base bids for Contract #1, #2 and # 3 now total \$5,182,849. City staff would propose that construction of the basketball court and Prentis Park parking lot to serve the pool and baseball field would come from 2nd Penny funds in 2017 and 2018, respectively. Regardless of when the bid was awarded, the basketball court could not be constructed until mid-2017 at the earliest due to the location being partially within the boundary of the current pool facility.

Staff is also recommending the acceptance of bid alternate 3-4 for pathway lighting at a cost of \$21,800; alternate 3-5 for lockers at a cost of \$37,500; and alternate 3-6

for concrete under the chain link fence at a cost of \$6,000. The total cost of the three alternates is \$65,300.

Burbach Aquatics and City staff continue to work with the contractors on possible project savings. Future cost savings that are developed would be completed through change orders.

Financial Consideration: Attached is a sheet which indicates the different funding sources for the project. As originally planned, proceeds for the pool project would come from the General Obligation bond, General Fund reserve and 2nd Penny sales tax reserve. The additional funding needed would come from Lotuswood sale proceeds, additional 2nd Penny sales reserve funds, and the reserve General Fund balance created in 2015.

Conclusion/Recommendations: Administration recommends awarding Contract #1 to Ricchio, Inc for \$2,298,849 and Contract #2 to Mechanical, Inc. \$935,000. Administration also recommends awarding Contract #3 to Welfl Construction for \$1,949,000 as well as alternates 3-4, 3-5 and 3-6 at a total cost of \$65,300. Administration further recommends that the award of all three contracts be upon the closing of the General Obligation bond.

**** PRELIMINARY - Revised per Staff Review ****

February 26, 2016

John Prescott, City Manager
Jim Goblirsch, Park & Rec. Director
City of Vermillion - City Hall
25 Center Street
Vermillion, SD 57069

Sent via: johnp@cityofvermillion.com
Sent via: jamesg@cityofvermillion.com

Dear Mr. Prescott and Mr. Goblirsch:

RE: Prentis Park Municipal Swimming Pool - Bid Opening

Please take this letter as a follow-up to the public bidding conducted Thursday, February 18, 2016, at 2:00 pm at the City Hall in Vermillion, South Dakota, for the Proposed Construction of the Prentis Park Municipal Swimming Pool. Burbach Aquatics, Inc. (BAI) is pleased to present the public bid results and recommendations.

Since the construction bids were higher than BAI's Opinion of Probable Construction Cost (OPCC), the City requested that BAI perform Value Engineering Services, with the objective of lowering the cost of the project. BAI then began the process of negotiating with the three lowest responsive responsible bidders. The first step was for BAI to evaluate Mechanical Inc's bid, which combined Contracts #1 and #2. Mechanical Inc. graciously agreed to separate the two contracts, which then removed the mark-up that Mechanical Inc. would have needed to cover such a large sub-contract. This change reduced the cost of the project by \$201,151. Their pool sub-contractor had provided a bid to them and also provided a prime bid for Contract #1.

BAI recommends that Pool Construction - Contract #1 be awarded to the lowest responsive responsible bidder, Ricchio, Inc., in the Base Bid amount of \$2,298,849.

BAI further recommends that Pool Mechanical Construction - Contract #2 be awarded to Mechanical, Inc., in the Base Bid amount of \$935,000, which was the results of the above negotiations.

For General Construction - Contract #3, the lowest responsive responsible bidder was Welfl Construction Corporation (Welfl) which has a Contract #3 Base Bid value of \$1,949,000. Additionally, BAI and City staff recommend including Bid Alternates #3-4, #3-5 and #3-6 for a combined total of \$65,300, which results in a total Contract #3 amount of \$2,014,300.

BAI will continue to work on the Value Engineering items. These amounts will be deducted

from the Contract amounts via Change Orders, as they are reviewed and accepted by the City.

BAI has had previous experience with both Ricchio, Inc. and Mechanical Inc. on past municipal family aquatic center projects, with similar complexity and size as the Prentis Park Municipal Swimming Pool. Their performance, on these previous projects, has been satisfactory. BAI has not had previous experience with Welfl from Yankton, South Dakota. However, their list of provided project references, as required by Article 1.250 of the Project Manual for said project; where contacted. All of their references were very positive.

Based on BAI's research, previous history with bidders, and information available to BAI at this time, BAI recommends the City of Vermillion award Contract #1 to Ricchio, Inc. in an amount of \$2,298,849. BAI further recommends awarding Contract #2 to Mechanical, Inc. in a negotiated amount of \$935,000. BAI also recommends awarding Contract #3 to Welfl Construction Corp. in an amount of \$1,949,000.

Based on the above BAI recommendations, the **Project Budget** for City consideration would be as follows:

Contract #1 - Pool Construction (Ricchio)	=	\$2,298,849.00*
Contract #2 - Pool Mechanical Construction (Mechanical)	=	\$ 935,000.00
Contract #3 - General Construction (Welfl)	=	\$1,949,000.00*
Alt #1-1 (Deck)	=	informational
Alt #1-2 (Sub-base)	=	informational
Alt #2-1 (Sub-base)	=	informational
Alt #3-1 (Sidewalk)	=	informational
Alt #3-2 (Pavement)	=	informational
Alt #3-3 (Sub-base)	=	informational
Alt #3-4 (Pathway lighting)	=	\$ 21,800.00
Alt #3-5 (Lockers)	=	\$ 37,500.00
Alt #3-6 (Concrete mow strip)	=	\$ 6,000.00
Alt #3-7 (Basketball)	=	Not Recommended
Contingency	=	\$ 0.00
Phase II Basic Compensation (7.25%) previously billed	=	\$ 293,614.13
Balance Phase II Basic Compensation (7.25%) to be billed	=	\$ 121,760.12
Phase III Basic Compensation (3.50%)	=	\$ 189,372.72*
Phase II Reimbursables, Soil Borings, Site Surveying, and Existing Site Conditions previously billed	=	\$ 46,931.45
Balance Phase II Reimbursables to be billed	=	\$ 10,346.92
Estimated Not-To-Exceed Phase III Reimbursables (which includes all bidding costs, printing, shipping and reimbursable expenses through completion of the project)	=	\$ 46,500.00
Total Project Cost	=	\$5,956,674.34*

* May be revised according to City accepted Value Engineering items for Contracts #1 and #3.

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The men and women of BAI look forward to the continuing opportunity to serve your community on this very important project. If you have any questions or comments regarding the above items, please feel free to contact our Platteville office at your convenience.

Sincerely,

BURBACH AQUATICS, INC

David F. Burbach, P.E.
Director of Aquatic Services

DFB:jmw

City of Vermillion
Prentis Park Pool and Basketball Court Budget

Projected Revenues:

Bond Proceeds Net	3,030,000	
Second Penny Sales Tax	1,392,229	
General Fund Reserves	1,300,000	
Lotuswood land sale proceeds	309,445	
Donations	<u>100,000</u>	
Total Projected Revenues		6,131,674

Projected Project Costs:

Phase II - Professional Fees Design	415,374	
Phase II - Reimbursable Expenses	57,278	
Phase III - Professional Fees	189,373	
Phase III - Reimbursable Expenses	46,500	
Pool Construction Contracts	5,248,149	
Basketball Court surface and lights	75,000	
Contingency	<u>100,000</u>	
Total Projected Project Costs		6,131,674

Note: This projection does not include the paving of the parking lot off of Prentis Street.

Pool Construction Projection:

Contract #1 Ricchio, Inc		2,298,849
Contract #2 Mechanical, Inc		935,000
Contract #3 Base Bid Welfl Construction	1,949,000	
Plus Add Alternates		
Add Alternates 3.4 Pathway lighting	21,800	
Add Alternates 3.5 Lockers	37,500	
Add Alternates 3.6 Concrete along fencing	<u>6,000</u>	
Total Contract #3 Welfl Construction		<u>2,014,300</u>
Total Pool Construction Contracts		5,248,149