

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

SPECIAL CITY COUNCIL MINUTES

OCTOBER 27, 2011

Call to Order: Mayor Jerry Tveit called the Special City Council meeting to order at 5:00 pm.

Roll Call: Present were Mayor Tveit, Council members Tim Brown and Steve Kane. Excused were Jeff Sandoval and Chris McClish. Also present were Todd Christopherson of Amcon Construction, Public Works Director Paul Teicher, City Administrator Matt Hysten and City Clerk Barb Held. Arriving later was City Attorney Scott Lepak.

Public Works/Police Facility – Accept and Award Contracts for Construction: Mr. Christopherson provided a report to the City Council outlining the Bid Opening and providing a Draft Summary of the Bid Tabulations. The bid opening was on Thursday, October 20 in the Community Room which was organized by Amcon. Also in attendance were Professional Design Group, Jared Voge of Bolton and Menk, Public Works Director Paul Teicher and City Clerk Barb Held. A total of 157 bids were opened and read out loud for the 31 separate bid contracts. The net result of this highly competitive bidding was a “savings” of \$18,712 from estimated costs to actual bid result costs. After the bids were received, Amcon has thoroughly reviewed all of the bids and has conducted post bid “interviews” with the contractors listed on the bid tabulation sheet. They determined that all of the bidders listed above have complete and responsive bids. Christopherson stated they only brought forward tonight five contracts and the Alternates. Due to the time of year it is advantageous for us to move forward quickly because of weather dependency. We would like to begin construction on or about Tuesday, November 8, 2011. We will continue to interview the remaining contracts and hope to have the majority of those ready for Council action the next regular Council Meeting on November 7. The bids we are recommending that the City Council take action on this evening are:

C-01 Grading and Excavation	North Metro Asphalt and Contracting
C-02 Site Utilities	New Look Construction
C-05 Concrete & Masonry	Classic Construction
C-06 Precast Concrete	Fabcon
C-07 Steel	Central Minnesota Fabricating
Accept Alternate A-2	
Reject alternates A-1, A-3, A-4, A-5, A-6 and A-7	

The amounts for the bids are shown on the attached bid tabulation form. This would allow the contractors to start their shop drawings.

Christopherson said the timing in the market is good, three to four years ago you probably would have seen 10-15% higher bids. In addition to the bids savings of \$18,712 noted earlier, we have updated the budget to reflect a reduced contingency- going from 5% pre-bid contingency to a 3.5% construction contingency. He also stated that their experience is that most projects will

utilize between 1 and 3% of construction cost for unforeseen conditions and coordination issues not known at this time. Christopherson stated he is confident that a 3.5% contingency will provide solid assurance to the City that the project will be completed within budget. All unspent contingency dollars will belong to the City at project completion. Christopherson asked the Council if they had any questions. A question was raised about the EDA approval. These contracts could be awarded at this time but will be subject to the review and approval of the Economic Development Authority. Also you may want a not to exceed amount for the shop drawing the contractors need to have done. So if the EDA does not go through with the financing this would be the amount of money they City would be out.

Christopherson then went on to explain the various alternates. Alternate A-2 includes a 40 foot by 140 foot area to the south of the Public Works vehicle warm storage area. The bid cost on this alternate equates to \$43.57 per square foot for a cost of \$243,981. This is an outstanding value and our estimation is that doing this same expansion at a later time as a stand-alone project would cost the City in excess of \$600,000 in today's dollars. In regards to A-5, if accepted would result in a savings of \$131,300. Operationally, however, this alternate will result in higher annual utility cost but the project engineer is estimating a "payback" for installing the more expensive system of approximately 9 years. Christopherson stated they are recommending to add Alternate A-2, with A-5 keeping the original base bid design in place in the interest of long term energy savings and rejecting Alternates A-1, A-3, A-4, A-5, A-6 and A-7. Discussion was held on the Alternates and whether to add A-2 and keep A-5 as a deduct. In regards to adding A-2, how would that be funded? There were a number of options discussed such as using a portion of the contingency fund balance, ask the EDA to up the bond amount, using money from the liquor store fund, using some of the City's fund balance or a combination of all. Tveit asked about the additional maintenance cost. Brown stated by not building the Alternate 2 now would be foolish. It is a lot cheaper now and don't want to be the council that didn't plan ahead. Do I t right the first time. Tveit said we do have to consider if we build it in five years it could be at \$600,000. Brown stated in regards to maintenance cost it would be less than a stand-alone building. **MOTION BY BROWN SECOND KANE TO ACCEPT BIDS AND AWARD CONTRACTS FOR THE FOLLOW CONTRACTS C-01, C-02, C-05, C-06, AND C-07 AS PER THE ATTACHED BID TABULATION FORM, NOTING ALL CONTRACTS AWARDED BY THE CITY COUNCIL AT THIS TIME WILL BE SUBJECT TO THE REVIEW AND APPROVAL OF THE ECONOMIC DEVELOPMENT AUTHORITY.** Motion carried 3-0.

MOTION BY KANE SECOND BROWN TO AUTHORIZE THE EXPENDITURE OF AN AMOUNT NOT TO EXCEED \$35,000 FOR SHOP DRAWINGS AS NECESSARY TO BE PREPARED BY THE CONTRACTORS AS APPROVED IN THE PREVIOUS MOTION. Motion carried 3-0.

MOTION BY KANE SECOND BROWN TO ACCEPT ALTERNATE 2 AND REJECT ALTERNATES A-1, A-3, A-4, A-5, A-6, AND A-7. Motion carried 3-0.

Mayor Tveit adjourned the Special City Council meeting at 5:55 pm.

Barbara I. Held, City Clerk