

FOR BOARD ACTION

Agenda Item # 4

Meeting Date:

2/28/12

SUBJECT:

Service Center Lobby Renovation Project - Construction Contract

PREPARED BY:

Steve Monson, Supervisor of Facilities and Fleet

ITEM DESCRIPTION:

RPU has undertaken several Facilities planning efforts in the last several years including a long range Master Plan, facilities assessment, and energy audit/LEED assessment. The Service Center Master Plan was updated in 2011. A key outcome of this updated Master Plan is a project to improve the customer experience with enhancements to the lobby and customer service areas.

The conceptual design and budget for the Service Center Lobby Renovation Project were shared at the November 29, 2011 Board meeting. Since that time the Project team, along with TSP architects, engineers and interior designers has meticulously collaborated to accomplish a highly functional, aesthetically pleasing, and cost effective renovation to enhance the customer experience. Final plans and specifications were completed, reviewed, and approved internally in January.

The bid proposal period opened on January 24, 2012 and closed on February 16, 2012. Sealed bids were received from three general contractors. Submitted bid proposals included a base proposal and three alternates. Staff reviewed the proposals and recommended acceptance of Alternate 1 – Toilet room updates, Alternate 2 – Low flow flush valves, and Alternate 3 – LED luminaires. TSP's analysis of the proposals and their recommendation is attached along with the bid proposal and bid tabulation.

Through a competitive bidding process the qualified low cost bidder is Key Builders Inc., 770 Air Commerce Dr. SW, Rochester MN with a submitted bid of \$496,300. Bids received were within the architect's estimate.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The Project budget is funded by \$200,000 from the 2011 contingency fund, \$300,000 from the 2012 Capital budget, and \$200,000 in 2012 contingency funds for a total budget of \$700,000. The remaining \$203,700 will cover Architectural & Engineering services, furnishings, low-voltage wiring, security, and contingency.

UTILITY BOARD ACTION REQUESTED:

Management recommends the Board approve a contract agreement in the amount of \$496,300 with Key Builders Inc., and that the Mayor and the City Clerk execute the agreement.



General Manager



Date

ROCHESTER PUBLIC UTILITIES



To Solve. To Excel. Together.

1500 Highway 52 North
Rochester, MN
55901-0273

phone (507) 288-8155
fax (507) 288-7220

www.teamtsp.com

Architecture

Engineering

Construction

February 22, 2012

Steve Monson
Rochester Public Utilities
4000 East River Road NE
Rochester, MN 55906

Re: RPU Customer Service Center Lobby Renovation
Rochester, Minnesota
TSP Project No. 01110536

On February 16, 2012, sealed bid proposals were received, publicly opened, and read aloud for the RPU Customer Service Center Lobby Renovation project. The following is a summation of the received bid proposals and a recommendation for entering into an agreement with the apparent low bidder for the prescribed work.

Documents for bidding were issued on January 24, 2012 and the bid proposal period closed at 2:00 p.m. on February 16, 2012. Advertisements for Bid Proposals were issued by RPU and placed in local publications. Bid proposal documents were also placed on the Public Purchase procurement site, to which RPU is a subscriber, and notification was sent to registered vendors of that service. It was our understanding that two local Builders Exchanges were in possession of the bidding documents.

Sealed bid proposals were received from three of the five general contractors known to be in possession of the bid proposal documents, and who were eligible for submitting a bid proposal based on their attendance at the mandatory pre-bid meeting. Submitted bid proposals were for a lump sum contract including all general, mechanical and electrical work. Three alternate bids were also received and considered as part of the overall project scope of the work. No irregularities were found in any of the submitted bid proposals and all should be considered in making a final award.

As a part of the bid proposals, allowances were included to cover interior signage, construction of a closure screen at the Cashier Work Stations, and furnishing and installation of a wall art mural framing system. Further definition of these items will be coordinated with the Contractor once work has begun.

Marshalltown, IA
Minneapolis, MN
Rochester, MN
Omaha, NE
Rapid City, SD
Sioux Falls, SD
Sheridan, WY

The apparent low bid proposer for this project is Key Builders, Inc. of Rochester, Minnesota. Bid proposals were also received from Weis Builders, Inc. and Benike Construction, Inc. both of Rochester. A summary of the bid proposals is as follows:

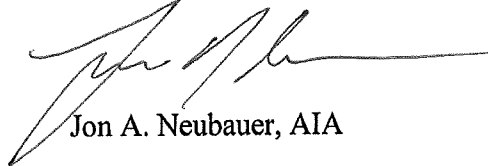
<u>Bidder</u>	<u>Base Bid</u>	<u>Alt. 1</u>	<u>Alt. 2</u>	<u>Alt 3</u>
Key Builders	\$469,700	\$20,000	\$2,500	\$4,100
Weis Builders	\$505,000	\$30,250	\$5,350	\$4,100
Benike Constr.	\$526,900	\$30,800	\$2,550	\$4,100

TSP has contacted Brian Moser with Key Builders and reviewed their bid proposal with them. They are acceptable with the bid proposal they have submitted, including alternates, and are willing to enter into an agreement with RPU/City of Rochester to complete this work. TSP's estimate of probable construction costs for this scope of work developed prior to receipt of bid proposals was \$490,000, not including alternates.

Based on our review of the submitted bid proposals TSP recommends issuing a contract to Key Builders, Inc. for completion of the work prescribed in the construction documents completed by TSP Inc. and dated January 24, 2012, including all three alternates.

When a formal approval has been made to award this work, please notify our office and we will prepare construction contracts between the RPU/City of Rochester and the selected contractor. Should you have any additional questions prior to making your final decision, please call our office to discuss further.

TSP, Inc.



Jon A. Neubauer, AIA

Enclosure: Bid Tab

022112 proposal evaluation

Bid Tabulation

RPU Customer Service Center Lobby Renovation
 4000 East River Road NE
 Rochester, MN 55906
 TSP Project No. 01110536

February 16, 2012 @ 2:00 p.m.

TSP, Inc.
 1500 Highway 52 North
 Rochester, MN 55901

Bidder Name and Address	Base Bid	Alternate #1 Toilet Rooms A005 and A 006	Alternate #2 Low-Flow Flush Valves	Alternate #3 Luminaire Fixtures	Subcontractors	Bid Sec. Yes/No	Adm. Rec'd
A. E. Benike 2960 Highway 14 West Rochester, MN 55901	526,900	30,800	2,550	4,100	P: Superior M: Superior E: Accord	Yes	1,2
Key Builders, Inc. 7700 Air Commerce Drive SW Rochester, MN 55902	469,700	20,000	2,500	4,100	P: Superior M: Superior E: Accord	Yes	1,2
Knutson Construction 5985 Bandel Road NW Rochester, MN 55901	NO BID				P: M: E:		
Weis Builders 2227 NW 7th Street Rochester, MN 55901	505,000	30,250	5,350	4,100	P: Superior M: Superior E: Accord	Yes	1,2
Construction Collaborative 320 South Broadway Rochester, MN 55904	NO BID				P: M: E:		

Bid awarded to: _____

Certified copy date: _____

TSP, Inc.

An Equal Opportunity, Affirmative Action Employer

NAME OF REPRESENTATIVE ATTENDING _____

BIDTAB

02/07/2012
Issued for
Construction

Rochester Public Utilities
Customer Service Center
Lobby Renovation

TSP, Inc. Project
#01110536

**BID PROPOSAL FORM
(REVISED)**

**ROCHESTER PUBLIC UTILITIES
CUSTOMER SERVICE CENTER
LOBBY RENOVATION
ROCHESTER, MINNESOTA**

TSP PROJECT NO. 01110536

TO: Rochester Public Utilities - City of Rochester

The undersigned hereby submits the following bid proposal for the Rochester Public Utilities, Customer Service Center, Lobby Renovation, according to Construction Documents prepared by TSP, Inc., Architects/Engineers, Rochester, Minnesota, dated January 24, 2012.

BASE BID: Four hundred sixty - nine thousand 500
hundred dollars. Dollars (\$ 469,700⁰⁰)

NOTE - Base bid shall include all construction phasing costs and allowances as required by the documents (see Section 012100).

ALTERNATES (See Section 012300 for a description of Alternates)

Alternate Bid No. 1: Toilet Rooms Men A005 and Women A006 Renovations.

ADD \$ 20,000⁰⁰

Alternate Bid No. 2: Toilet Rooms Men A005 and Women A006 Low-Flow Flush Valves and China Plumbing Fixture Replacement.

ADD \$ 2,500⁰⁰

Alternate Bid No. 3: Replace scheduled luminaire fixtures P1, P2 and P3 with alternate scheduled fixtures P1-ALT, P2-ALT and P3-ALT respectively.

ADD \$ 4,100⁰⁰

02/07/2012
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Construction

Rochester Public Utilities
Customer Service Center
Lobby Renovation

TSP, Inc. Project
#01110536

SUBCONTRACTORS

Subcontractors I will use on this project are:

Mechanical/Plumbing Subcontractor(s): Superior Mech

Mechanical/HVAC Subcontractor Superior Mech

Electrical Subcontractor: Accord Electric

In submitting this bid proposal it is understood that the Owner reserves the right to reject any and all bid proposals. It is further agreed this bid proposal shall not be withdrawn within sixty (60) days after the bid proposal closing as provided in the contract documents.

If this bid proposal is accepted within the time stated or agreed upon between Owner and Contractor and the undersigned Contractor fails to either commence the work or fails to provide the required bonds, the bid proposal security shall be forfeited, not as a penalty, but as liquidated damages to the Owner by reason of your failure to perform. The amount of damages is limited to the lesser amount of the difference between the face value of the bid securities.

BID PROPOSAL GUARANTY as required by the Specifications: A certified check, cash deposit or bidders bond, prepared as required by the Specifications and payable to the City of Rochester, Minnesota, in the amount equal to at least five percent (5%) of the total amount of the bid proposal is submitted herewith as a bid proposal guaranty.

The undersigned will enter into a contract with the Rochester Public Utilities - City of Rochester for the performance of the work at the unit prices stipulated herein within a period of ten (10) days from the date of acceptance of this bid proposal. The undersigned agrees to furnish a Surety Bond satisfactory to the City, in the full amount of the Contract price at the time of entering into the contract and further agrees to begin work immediately following the issuance of a "Notice to Proceed" by the Owner, and that same shall be fully and satisfactorily completed by May 31, 2012. See Section "007180 - Special Conditions of the Contract for Construction."

In submitting this bid proposal, it is understood that the right is reserved by the Rochester Public Utilities Board and the Common Council of the City of Rochester to reject any and all bid proposals and to waive informalities.

NON-COLLUSION AFFIDAVIT: The successful bidder will be required to execute a Non-Collusion Affidavit prior to entering into an agreement with the Rochester Public Utilities - City of Rochester.

02/07/2012
Issued for
Construction

Rochester Public Utilities
Customer Service Center
Lobby Renovation

TSP, Inc. Project
#01110536

RECEIPT OF ADDENDA as required by the Specifications.

The undersigned hereby acknowledges receipt of and has considered:

Addendum No. 1 Dated 2/7/12 Addendum No. _____ Dated _____
Addendum No. 2 Dated 2/13/12 Addendum No. _____ Dated _____
Addendum No. _____ Dated _____ Addendum No. _____ Dated _____

EXECUTION OF BID PROPOSAL as required by the Specifications:

This Bid Proposal dated the 16 day of February, 2012.

Signed _____ PO Address _____ as an individual.

Signed _____ PO Address _____ as an individual.

Doing business under the name and style of _____

Signed _____ for _____ a partnership.
Name Business Address

Signed BJA for Key Builders a corporation.

Incorporated under the laws of the State of Minnesota.

Name of President Brad Clemens Business Address 7700 Air Commerce Drive SW

Name of Vice President Lonnie Low Business Address 7700 Air Commerce Drive SW

Name of Secretary _____ Business Address _____

Name of Treasurer _____ Business Address _____

Date: 2/16/12

Respectfully submitted,

7700 Air Commerce Drive SW
(Street Address)

Key Builders, Inc.
(Firm Name)

Rochester, MN 55902
(City and State)

BJA
(By)

02/07/2012
Issued for
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Rochester Public Utilities
Customer Service Center
Lobby Renovation

TSP, Inc. Project
#01110536

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1/24/2012
Issued for
Construction

Rochester Public Utilities
Customer Service Center
Lobby Renovation

TSP, Inc. Project
#01110536

**CITY OF ROCHESTER
OLMSTED COUNTY, MINNESOTA**

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we Key Builders, Inc.
_____ as principal, and International Fidelity Insurance Company
_____ as surety, are held and firmly bound unto the CITY OF
ROCHESTER, MINNESOTA, as obligee, in the sum of five percent of bid
_____ (\$ 5 % of bid) Dollars,
lawful money of United States of America, for the payment of which sum will and truly to be made we
bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally and firmly
by these presents.

The condition of this obligation is such that whereas the principal has submitted the accompanying Bid
Proposal dated 16th of February, 2012, for construction work at the Rochester International
Airport entitled

**Rochester Public Utilities
Customer Service Center
Lobby Renovations**

NOW, THEREFORE, if the aforesaid principal shall not withdraw (his) (its) (their) Bid Proposal
for a period of sixty (60) days after the opening of bids, and if awarded a Contract upon said Bid Proposal
shall enter into a Contract with the City of Rochester, Minnesota, and give Public Contractor's Bond as
required by law and in form specified by the City of Rochester, then this obligation shall be null and void;
otherwise the principal and surety will pay unto the obligee the sum of
five percent of bid (\$ 5 %) Dollars, not as a penalty but as liquidated
damages sustained by the City of Rochester, Minnesota, as a result of such failure.

Signed and dated this 16th day of February, 2012.

Key Builders, Inc.

By: _____

Principal

International Fidelity Insurance Company

Surety

David J. Rudnik
Attorney-in-Fact David J. Rudnik

ACKNOWLEDGEMENT OF SURETY

State of Minnesota

County of Ramsey

On this the 16th day of February, 2012, before me, Kerri Ann Hatton
Notary Public, personally appeared David J. Rudnik, personally known to me to be the
person whose name is subscribed to the within instrument and acknowledged to me all that he/she executed
the same in his/her authorized capacities, and that by his/her signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature



(Seal)



1/24/2012
Issued for
Construction

Rochester Public Utilities
Customer Service Center
Lobby Renovation

TSP, Inc. Project
#01110536

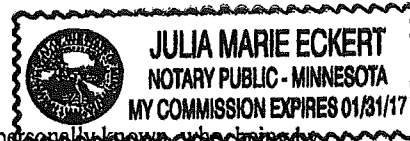
INDIVIDUAL AND CO-PARTNERSHIP ACKNOWLEDGEMENT

STATE OF MINNESOTA)
) SS
COUNTY OF _____

On this _____ day of _____, 2012, before me personally appeared _____, to me known to be the person described in and who executed the foregoing bond, and acknowledged that he _____ executed the same as _____ free act and deed.

CORPORATE ACKNOWLEDGEMENT FOR PRINCIPAL

STATE OF MINNESOTA)
) SS
COUNTY OF Olmsted



On this 8 day of February, 2012, before me appeared to me personally known, who, being by me duly sworn, did say that they are respectively Brad Clemens and _____ of Key Builders Inc., a corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that said instrument was executed in behalf of the corporation by authority of its Board of Directors; and they acknowledged said instrument to be the free act and deed of the corporation.

Julia Marie Eckert

AFFIX HERE ACKNOWLEDGEMENT OF CORPORATE SURETY

NOTICE TO CORPORATE SURETIES: This bond will not be accepted unless executed or countersigned by a Minnesota agent, resident officer, or attorney in fact whose name and address must be noted in the space hereinafter provided. The corporate surety's form of corporate acknowledgement should be attached in the place provided on this form.

Full Name of Surety Company International Fidelity Insurance Company

Home Office Address One Newark Center, 20th Floor, Newark, NJ 07102

Name of Attorney in Fact David J. Rudnik

Name of Local Agency Rudnik Surety, Inc.

Address of Local Agency 7191 Knollwood Dr., Mounds View, MN 55112

If this bond is executed outside of the State of Minnesota, it must be countersigned by a Minnesota Resident Agency of the Surety company.

Name of Agent affixing Countersignature _____

Address _____

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

NICHOLAS L. NEWTON, CHELSEA A. BREMER, JANET L. RUDNIK, DAVID J. RUDNIK

New Brighton, MN.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



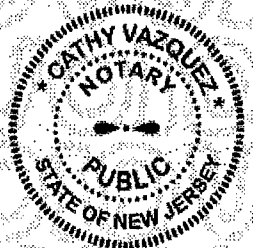
IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 27, 2014

CERTIFICATION

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 16th day of February, 2012

Assistant Secretary



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Key Builders, Inc., and request the Mayor and the City Clerk to execute the agreement for

RPU Service Center Lobby Renovation Project – Construction Contract

The amount of the contract agreement to be FOUR HUNDRED NINETY-SIX THOUSAND THREE HUNDRED DOLLARS AND NO/100 (\$496,300.00) and Key Builders, Inc. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of February, 2012.

President

Secretary