

FOR BOARD ACTION

Agenda Item #

4.b.

Meeting Date:

10/25/05

SUBJECT:

Construction Services
Interstate Roofing & Waterproofing, Inc
Partial Roofing of Silver Lake Plant

PREPARED BY:

Tony Dzubay, Power Production Engineer RPU

ITEM DESCRIPTION: In February, 2005, TSP of Rochester, MN was hired through a Professional Engineering Services Contract to assist RPU personnel with the design, sealed bid process and supervision for the partial re-roof of The Silver Lake Plant. Five building levels of SLP are included in this project. RPU and TSP have completed the design and bidding process and are awaiting the approval to schedule the work.

On October 6, 2005 three acceptable bids were received. The low bidder was Interstate Roofing & Waterproofing, Inc with a base bid of \$208,800. The other two bids from Merit Contracting Inc and Winona Heating and Ventilation were \$255,152 and \$299,000, respectively. Interstate was contacted to confirm their bid was mathematically correct and that all materials and anticipated work was accounted for. The bidder confirmed that their bid was valid and the work could be done for the given price.

Interstate shows that their work can be completed in approximately 30 days. RPU will require Interstate to begin work in late 2005 or early 2006. All work shall be completed by April 15, 2006 per the contract. TSP has worked with Interstate Roofing & Waterproofing, Inc on multiple jobs in the past and considers them to be a reputable roofing company and sees no reason to decline their bid.

The contract also includes four alternates that were priced out by each bidder. TSP and RPU recommends that Alternates #1, 2 and 3 be rejected and Alternate #4 be accepted for \$8,000. Alternate #4 greatly increases the waterproofing of the roof and will decrease the possibility of any future problems.

Funds for this project have been planned for in the annual capital and major maintenance budget for 2005.

Attached is a bid tabulation, recommendation from TSP and a copy of the Interstate Roofing proposal.

UTILITY BOARD ACTION REQUESTED:

Staff recommends that the Board request Common Council approval of a contract agreement with Interstate Roofing & Waterproofing, Inc. in the amount of \$216,800 for construction services for the partial roofing of the Silver Lake Plant, and that the Mayor and City Clerk execute the agreement


General Manager

10/20/05
Date

ROCHESTER PUBLIC UTILITIES

Bid Tabulation

Silver Lake Power Plant Reroofing for 2005
 Rochester, Minnesota

October 6, 2005 @ 2:00 p.m.
 RPU Community Room - East River Road
 Rochester, MN

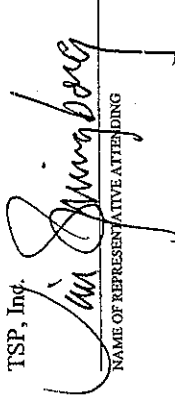
TSP, Inc.
 1500 Highway 52 North
 Rochester, MN 55901

TSP Project No. 0105X681.02

Bidder Name and Address	Base Bid	Alternate 1 Add Roof Section F	Alternate 2 Add Roof Section H	Alternate 3 Duct Chimney Work	Alternate 4 Siding/Base Flash Work	Subcontractors	Bid Sec.	Alt. affect Sub.	Addm. Rec'd
2. WHV, Inc. 374 East 2nd Street PO Box 77 Winona, MN 55987-0077	\$ 299,000	\$ 29,000	\$ 18,000	\$ 4000	\$ 25,000		yes		yes
3. Merit Contracting, Inc. 4615 Highway 63 North Rochester, MN 55906	\$ 255,152	\$ 39,130	\$ 17,729	\$ 3438	\$ 7780		yes		yes
1. Interstate Roofing and Waterproofing, Inc. N5544 Commerce Road Onalaska, WI 54650	\$ 209,900	\$ 35,700	\$ 20,400	\$ 1500	\$ 8,000		yes		yes

Bid awarded to: Interstate Roofing

Certified copy date: Oct 6, 2005

TSP, Inc.

 NAME OF REPRESENTATIVE ATTENDING

An Equal Opportunity, Affirmative Action Employer

BIDTAB



To Solve To Excel Together.

October 14, 2005

1500 Highway 52 North
Rochester MN
55901-0273

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

www.teamtsp.com

Tony Dzubay
Rochester Public Utilities
425 West Silver Lake Drive NE
Rochester, MN 55906

Architecture
Engineering
Construction

Re: RPU Silver Lake Power Plant Reroofing
Rochester, Minnesota
TSP Project No. 0105X681.02

On October 6, 2005 bids were received for the Partial Reroofing of the Silver Lake Power Plant. Three good bidders submitted bids on the plans and specifications prepared by TSP. Interstate Roofing & Waterproofing, Inc. was the apparent low bidder with a base bid of \$208,800. Their bid was substantially lower than the other two bidders, and there was a sizeable spread between the other two bidders, Merit Contracting Inc. and WHV. A number of factors can affect bids such as: backlog of work at this time of the year, energy scare, cost of transportation, rising costs, increased insulation costs due to increased oil costs, varying costs due to contractors different interpretations and work procedures that the contractors may use in completing the project, as well as, varying approaches in the removal and disposal of the asbestos (both nonfriable and friable).

TSP contacted Justin at Interstate Roofing & Waterproofing, Inc. after the bids were opened. Given the spread of the bids, we asked them, being the low bidder, if they were satisfied with their bid and would they proceed with the project if the Owner offered them the contract. They said they would. I asked them to review their bid further, looking for missing work and materials and possible mathematical errors, etc. that might affect their bid. Justin said he would do that.

An item that at first looked like the biggest factor in the cost was the completion time specified by the bidders. WHV indicated 180 days, Merit Contracting Inc. indicated 155 days, and Interstate Roofing & Waterproofing, Inc. indicated 30 days to complete the work. After reviewing this with Interstate Roofing & Waterproofing, Inc., it appears the 30 days they indicated is not entirely correct. When they filled out this item on the bid form Justin said their intent is they would start the work in the spring and complete on-site work in 30 days. The intent of the

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



bidding document was the contract date would begin upon the date of the notice to proceed. The calendar days would start at that point and go until completed but not later than April 15, 2006. With the 30 days beginning in the spring, that definitely is not in keeping with their number of days indicated on the bid form. You as the Owner have the right to accept or reject any and all bid disparities. I would consider this rather minor as long as it is acceptable to you that they either start work in the fall of 2005 and then shut the project down until the spring of 2006; or start and complete work in the spring completing the work before the April 15, 2006 deadline.

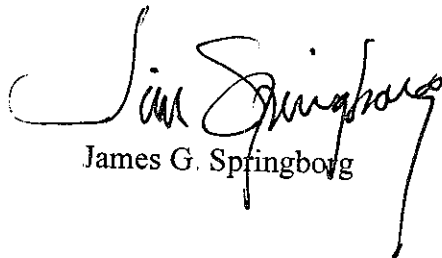
I contacted Justin again on October 11, 2005 since he was out on Monday. I asked whether they had been able to review their bid and their bid numbers and costs over the weekend. He said they have gone over it closely and cannot understand the disparity between their bid and the other bids. He said they are okay with their bid and would like to proceed with the project in the spring.

Interstate Roofing & Waterproofing, Inc. is a reputable roofing company that has been in existence for many years. We have worked with them on a number of projects all of which were satisfactory. I have not found any reason not to accept their bid or not to offer the project to them.

Please contact me should you have any questions. TSP also recommends that Alternate #4 for \$8,000 be accepted and Alternates #1, #2, and #3 be rejected for a resulting total contract cost of \$216,800. We will have to clarify in the contract the completion time issue which should not be a problem with Interstate Roofing & Waterproofing, Inc. if it is acceptable to you.

Please contact TSP should you have any questions.

TSP


James G. Springborg

101305JGSs

REVISED

PROPOSAL FORM... COMBINED CONTRACT

TO: RPU Silver Lake Power Plant

The undersigned hereby submits the following bid for TSP Project No. 0105X681.02, SILVER LAKE POWER PLANT REROOFING FOR 2005, according to Construction Documents prepared by TSP, Inc., Architects/Engineers, Rochester, MN.

BASE BID: Two hundred eight thousand, eight hundred 00/00-----
----- Dollars (\$ 208,800.00)

NOTE - Base bid shall include allowances as required; see Section 01020.

ALTERNATES

(See Section 01030 for description of Alternates)

ALTERNATE 1: ADD ROOF SECTION F.....ADD/\$ 35,700.00
ALTERNATE 2: ADD ROOF SECTION H.....ADD/\$ 20,400.00
ALTERNATE 3: DEDUCT CHIMNEY WORK.....DEDUCT/\$ 1,500.00
ALTERNATE 4: ADD SIDING/BASE FLASH WORK.....ADD/\$ 8,000.00

COMPLETION TIME Contractor state number of calendar days required to complete project.

I agree according to Article 8 of the Conditions of the Contract to substantially complete the work on or before 30 calendar days from the date of the "Notice to Proceed" and fully complete on or before April 15, 2006.

UNIT PRICES (See Section 01026 for description of Unit Prices)

Repair Vapor Barrier:.....Add \$ 2.50 /SF

SUBCONTRACTORS

Subcontractors (and their bid amounts) I have chosen to use on this project are:

Mechanical/Plumbing Subcontractor(s): HIMEC
\$ 9,600.00

Electrical Subcontractor: _____
\$ _____

Will alternate selection affect selection of subcontractors?

Yes No

In submitting this bid it is understood that the Owner reserves the right to reject any and all bids. It is further agreed this bid shall not be withdrawn within thirty (30) days after bid opening as provided in the contract documents.

If this bid 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 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.

The following addenda have been received: X 2 OK

Date: October 5, 2005

Respectfully submitted,

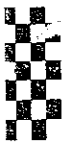
N5544 Commerce Road
(Street Address)

Interstate Roofing & Wtp., Inc.
(Firm Name)

Onalaska, WI 54650
(City and State)

Justin Riley
(By)

THE END



FAX COVER SHEET



DATE: 10/8/2005

TO: Jim Springborg 507-288-7220
TSP

SUBJECT: Acknowledgement of addendum #2 for Silver Lake Power Plant

COMMENTS: Let me know if you need anything else.
Thank You

Please call if 2 pages do not transmit. (Including this page)

FROM: Interstate Roofing and Waterproofing, Inc.
N5544 Commerce Rd
Onalaska, WI 54650
Phone: 608-783-2106
Downstairs Fax: 608-783-1900
Upstairs Fax: 608-783-6021

- Charlie Kasten
- Derek Kasten
- Jon Kloehn
- Bill Ulmen
- Justin Riley
- Nancy Schiffer
- Kathy Oldenburg
- Julie Gallup

KJD	---	EDS	---	PRH	---
MJS	---	WFM	---	SMA	---
RFB	---	JGS	---	GRR	---
DDK	---	RLA	---	CLK	---
	---	JAN	---	MQS	---
MJC	---	GFN	---		---
BJK	---	PLB	---	LAH	---
MWS	---	DRH	---	EMS	---
JWN	---		---	MPS	---

File: 0105x681-02

INTERSTATE ROOFING & WATERPROOFING, INC.

SINCE



1968

October 6, 2005

Attn: Jim Springborg
TSP Architects & Engineers

Dear Jim,

Today I received a fax showing addendum #2 for the Silver Lake Power Plant job. My bid was mailed yesterday and therefore does not acknowledge receipt of this addendum. The changes set forth in the addendum do not affect my bid price in any way. Please use this letter as my acknowledgement or addendum #2.

Thank you for your cooperation.

Sincerely,

Justin Riley
Estimator
Interstate Roofing
608-783-2106 (phone)
608-783-6021 (fax)

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A310

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we Interstate Roofing & Waterproofing, Inc.
N5544 Commerce Road, Onalaska, WI 54650 (Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called the Principal, and Western Surety Company
P O Box 5077, Sioux Falls, SD 57117-5077 (Here insert full name and address or legal title of Surety)

a corporation duly organized under the laws of the State of South Dakota
as Surety, hereinafter called the Surety, are held and firmly bound unto Rochester Public Utilities
4000 East River Road N E , Rochester, MN 55906 (Here insert full name and address or legal title of Owner)

as Obligee, hereinafter called the Obligee, in the sum of 5% of Contractors Bid

Dollars (\$ _____),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents.

WHEREAS, the Principal has submitted a bid for _____
(Here insert full name, address and description of project)

Partial Reroofing of the Silver Lake Power Plant with New Single-Ply EPDM.

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect

Signed and sealed this 3rd day of October, 2005

(Witness)

(Witness)

Interstate Roofing & Waterproofing, Inc.

(Principal) (Seal)

President (Title)

Western Surety Company

(Surety) (Seal)

Attorney-in-Fact (Title)



NOTICE

In accordance with the Terrorism Risk Insurance Act of 2002, we are providing this disclosure notice for bonds and certain insurance policies on which one or more of the Writing Companies identified below is the surety or insurer.

To principals on bonds and insureds on certain insurance policies written by any one or more of the following companies (collectively the "Writing Companies") as surety or insurer: Western Surety Company, Universal Surety of America, Surety Bonding Company of America, Continental Casualty Company, National Fire Insurance Company of Hartford, American Casualty Company of Reading, PA, The Firemen's Insurance Company of Newark, NJ, and The Continental Insurance Company.

DISCLOSURE OF PREMIUM

The premium attributable to coverage for terrorist acts certified under the Act was Zero Dollars (\$0.00).

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States will pay ninety percent (90%) of covered terrorism losses exceeding the applicable surety/insurer deductible.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation (herein called "the CNA Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

Leah R Fehner, Donna J Schmitt, Jacquelyn Bartlett, Ruth Kelly, John F Connolly III, Individually

of La Crosse, WI, their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Senior Vice President and their corporate seals to be hereto affixed on this 6th day of September, 2005



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Michael Gengler
Michael Gengler Senior Vice President

State of Illinois, County of Cook, ss:

On this 6th day of September, 2005, before me personally came Michael Gengler to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Senior Vice President of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires March 15, 2009

Maria M. Medina
Maria M. Medina Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the corporations printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporations this 3rd day of October, 2005



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis
Mary A. Ribikawskis Assistant Secretary

Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article VI—Execution of Obligations and Appointment of Attorney-In-Fact

Section 2. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Executive, Senior or Group Vice President may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

"RESOLVED: That the President, an Executive Vice President, or any Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation."



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a contract agreement with Interstate Roofing & Waterproofing, Inc. and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

Partial Roofing of Silver Lake Plant

The amount of the contract agreement to be TWO HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED AND 00/100 DOLLARS (\$216,800.00) and Interstate Roofing & Waterproofing, Inc. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 25th day of October, 2005.

President

Secretary