

## FOR BOARD ACTION

**Agenda Item #**     5

**Meeting Date:**

**8/31/10**

**SUBJECT:**

Customer Service Center Re-Roofing Phase II

**PREPARED BY:**

Tom Williamson, Senior Mechanical Engineer

Bob Ledebuhr, C.P.M., Materials Manager/Contract Administrator

ITEM DESCRIPTION:

The RPU Service Center roof was built about 23 years ago. In the past several years there have been a significant number of leaks in the office, warehouse and garage areas. One small section of roofing has been completely replaced and is not included in this project.

TSP Engineers and Arizona State University Performance Based Studies Research Group (ASU-PBSRG) have been commissioned to assist RPU in preparing documents and proposal evaluation for the project. A decision was made to use the Best Value Procurement (BVP) process rather than lowest responsible bidder approach. BVP includes a rating system for the proposals and does not require selection of the low bid. Minnesota state statutes allow the BVP process and it has been used extensively by the state. BVP has been used recently by the City on the Public Works and Transit Operations Center project, by Olmsted County on the new building on the county campus and by the Rochester School District. ASU-PBSRG has been involved in all of the local projects described and has significant experience in the BVP process in Minnesota.

Out of the various types of roofing systems, TSP determined that a Thermoplastic Polyolefin (TPO) single-ply roofing membrane would be the best system and that it would be well suited for this project. Vendors were instructed to submit proposals based on this type of roofing system.

Three Proposals were received on July 26, 2010. An evaluation committee reviewed the risk assessment and value added (RAVA) plan required to be submitted with each proposal. Of the four people conducting the RAVA plan evaluation, two were external individuals experienced in the BVP process and two were RPU internal staff. ASU-PBSRG reviewed only as a quality check in the process. The results of the evaluation are attached. Vendor 3 was the highest rated, but their cost was 17% higher than Vendor 1 (second highest ranked). Due to a 5% "Cost Reasonableness" criterion in the RFP, it is recommended to proceed with Vendor 1 (second highest rated and lowest cost). Vendor 1 is Interstate Roofing & Waterproofing Inc. They have responded to a list of RPU concerns and to the risks stated by the other vendors. In addition they provided a Pre-Award Document based on specific requirements included in the RFP which has been reviewed by RPU, TSP and ASU-PBSRG. On the basis of the BVP evaluation of the proposal and other documentation provided management is recommending Interstate Roofing.

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General Manager

\_\_\_\_\_

Date

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The proposal includes all remaining Service Center Roof areas:

- Base Proposal            Roof Area A    Office
- Alternate 1            Roof Area B    Warehouse
- Alternate 2            Roof Area C    Garage

The contract will be written for the Base Roof (Area A), Alternate 1 (Area B), and Alternate 2 (Area C). Additional funding will be required for this project in addition to the 2010 budgeted amount (see the next section). Depending on the construction progress, generally related to weather, the contractor may return in 2011 to complete the work. Approval of the entire contract amount is requested at this time in order to allow the entire project to proceed in the most efficient manner, reduce risks and assure the pricing on the alternates.

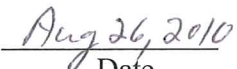
### FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The 2010 budget includes \$685,000 and the 2011 budget includes \$420,000 for Service Center Roof Replacement. Completing the entire project in 2010 will require the use of cash reserves. That drawdown of cash reserves will be replaced in 2011.

### UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve a contract agreement with Interstate Roofing & Waterproofing Inc. It is also recommended that the Utility Board approve a contingency amount of \$50,000 to cover unforeseen roofing problems. The total contract amount would be \$1,129,405. Management recommends the Board approve the following resolution and request Council approval.

  
\_\_\_\_\_  
General Manager

  
\_\_\_\_\_  
Date



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August 26, 2010

Joe Hensel  
Rochester Public Utilities  
4000 East River Road NE  
Rochester, MN 55906

Re: Rochester Public Utilities  
Customer Service Center Reroofing Phase II  
Rochester, Minnesota  
TSP Project No. 01100486

On July 26, 2010, RPU received Best Value Proposals for the Phase II Reroofing project at the Customer Service Center. Proposals were received from three of the four contractors known to be in possession of the documents.

Following an evaluation and scoring of the submitted proposals, a Preferred Potential Best Value Contractor was identified and invited to participate in the Pre-Award Phase of the procurement process. This Potential Best Value Contractor is Interstate Roofing from Onalaska, Wisconsin.

During the Pre-Award Phase RPU and TSP have been working closely with Interstate Roofing in their preparation of the required Pre-Award document to ensure that all requirements of the original construction documents have been met, to evaluate the identified Risk Assessments and Value Added options, and to ensure that they are acceptable with entering into an agreement with RPU to complete the prescribed work. TSP has reviewed the completed Pre-Award document and takes no exception to the information that was included within it.

As part of the initial proposal Interstate Roofing included two Value Added options for the Owner to consider. The following is a summary of those Value Added options and TSP's recommendation on them. Do note that Value Added Options are not part of the original cost proposal and must be added to the contract price through a change order should they be accepted.

1. Value Added Option 1 – Allow the base (bottom) layer of roofing insulation to be mechanically attached to the steel roof decking in lieu of adhesively attaching it per the original construction document requirements. The total proposed credit for the base bid and alternates is \$29,506.00. TSP has reviewed this option, finds the proposed credit value acceptable, and is


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Fort Collins, CO  
Marshalltown, IA  
Minneapolis, MN  
Rochester, MN  
Omaha, NE  
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acceptable with this method of anchoring the base layer of insulation. TSP would recommend acceptance of this Value Added Option.

2. Value Added Option 2 – Substitute the originally specified “cover board” with the proposed alternative product. TSP has reviewed the alternative product and finds that it does not have the same critical characteristics as the originally specified material. TSP does not recommend acceptance of this Value Added Option.

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

TSP, Inc.



Jon A. Neubauer, AIA

082510 recommendation letter

**Customer Service Center Re-Roofing Phase II**  
**Proposal Analysis**

		Overall Ranking (100 Points)		
		78 Points	68 Points	90 Points
NO	CRITERIA	VENDOR 1	VENDOR 2	VENDOR 3
1	Project Cost	\$ 328,435	\$ 378,000	\$ 393,953
2	Alternate 1	\$ 341,430	\$ 398,000	\$ 403,491
3	Alternate 2	\$ 409,540	\$ 506,000	\$ 502,495
4	Project Duration	30	30	35
5	Risk Assessment and Value Added Plan (RAVA) Rating	3.3	5.5	8.8
6	Perceived Value of Warranty (years)	0*	0*	0*
7	Contractor - Overall customer satisfaction	9.6	9.5	9.5
8	Contractor - Percent of roofs that have never leaked	0.8	n/a	1.0
9	Contractor - Percent of roofs that do not currently leak	1.0	n/a	1.0
10	Contractor - Oldest roof surveyed (years)	5.4	n/a	19.1
11	Contractor - Average age of roof surveyed (years)	1.9	n/a	4.0
12	Contractor - Total number of different jobs surveyed	9	15	20
13	Contractor - Total number of different customer responses	7	15	20
14	Manufacturer - Overall customer satisfaction	9.6	n/a	10.0
15	Manufacturer - Percent of roofs that have never leaked	0.8	n/a	1.0
16	Manufacturer - Percent of roofs that do not currently leak	1.0	n/a	1.0
17	Manufacturer - Oldest roof surveyed (years)	5.4	n/a	1.2
18	Manufacturer - Average age of roof surveyed (years)	1.9	n/a	1.0
19	Manufacturer - Total number of different jobs surveyed	9	n/a	5
20	Manufacturer - Total number of different customer responses	7	n/a	5

*\* All three proposals submitted 30-year warranties. However, based on the average age of the manufacturers roofs (less than 2 years old), and reviewing the number of warranty exclusions, it was determined that there is no perceived value to the warranty.*



## 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 and Waterproofing, Inc. and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

### Customer Service Center Reroofing Phase II

The amount of the contract agreement to be ONE MILLION ONE HUNDRED TWENTY NINE THOUSAND FOUR HUNDRED FIVE AND 00/100 DOLLARS (\$1,129,405.00) and Interstate Roofing and Waterproofing, Inc. being the best value proposal.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 31st day of August, 2010.

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President

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Secretary