TO: Mayor Shaun Sipma  
Members of the City Council  
FROM: Lance Meyer, P.E., City Engineer  
DATE: December 20, 2021  
SUBJECT: CITY HALL REHABILITATION AWARD OF BID (4466)  

I. RECOMMENDED ACTION  
1. Recommend the Council award the bid to Rolac Contracting Inc in the amount of $9,520,250 which includes the base bid plus alternates 1 through 4;  
2. Pass on 1st reading the attached budget amendment  

II. DEPARTMENT CONTACT PERSONS  
Lance Meyer, City Engineer 701-857-4100  
Emily Huettl, Assistant City Engineer 701-857-4100  

III. DESCRIPTION  
A. Background  
Over the past month, the City Hall Rehabilitation project was out for public bid.  

B. Proposed Project  
The bid documents reflected the final design approved by the council at the November 1st council meeting.  

C. Consultant Selection  
The project was publically bid from November 5th through December 7th. The City received two single prime bids, both from local contractors. The City also received several separate mechanical and electrical contractor bids, but did not receive any general contracting bids. Thus, according to Century Code, the City must select the low bidder from the single prime bidders.  
The City received single prime bids from Rolac Contracting Inc and Mattson Construction Company, both of Minot. The attached bid tab shows the breakdown for each bid.  

Rolac provided the lowest based bid of $8,395,000. This is approximately 15% higher than the estimate of $7,294,212.  

As part of the bidding documents, there were 12 alternates for the contractors to bid. Because the base bid came in over the estimated amount, staff feels the awarded alternates should be limited to the first four alternates which include:
<table>
<thead>
<tr>
<th>Alternate</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternate 1 - Exterior Wall Insulation</td>
<td>$254,050.00</td>
</tr>
<tr>
<td>Alternate 2 - Exterior Curtainwall/Storefront Replacement</td>
<td>$695,000.00</td>
</tr>
<tr>
<td>Alternate 3 - Exterior Entrance Improvements</td>
<td>$132,200.00</td>
</tr>
<tr>
<td>Alternate 4 - Increased Glazing</td>
<td>$44,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$1,125,250.00</td>
</tr>
</tbody>
</table>

Thus, staff is recommending the Council select Rolac as the low bidder and also to select alternates 1 through 4 for a total bid of $9,520,250.

In reviewing the bids, staff and JLG do not think the City will receive a better result if the project is rebid. The project was bid throughout the upper Midwest with only five general contractors showing interest in the project. Only two submitted a bid, both of which are local contractors. Thus, it is unlikely additional contractors will be in a position to bid the project.

Also, the difference in base bids between the contractors was approximately $1.2 million. If the project is rebid, we expect the base bid price to increase now that the contractors are aware of the other bid numbers.

Other factors that likely influenced the bid price include regional contractor availability and workload, material cost inflation, supply chain issues, the liquidated damages provision, and overhead costs of a federal project. Staff has also inquired to other government agencies as to their bid results. The Minot Park District and NDDOT have also reported receiving higher than estimated bid numbers.

IV. IMPACT:

A. Strategic Impact:
   N/A

B. Service/Delivery Impact:
   N/A

C. Fiscal Impact:
   The attached project budget from JLG shows the project’s hard and soft costs as bid including alternates 1-4. The project currently has a top end budget of $13,818,538 unless council modifies the budget. In order to proceed with the base bid plus alternates, a budget increase will be needed through a budget amendment. Even if the alternates are not selected, a budget amendment is still required to increase the project budget.
Project Costs

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Cost Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Bid Construction Costs</td>
<td>$8,395,000.00</td>
</tr>
<tr>
<td>Add Alternate (1-4) Construction Costs</td>
<td>$1,125,250.00</td>
</tr>
<tr>
<td>Project Soft Costs</td>
<td>$5,752,953.00</td>
</tr>
<tr>
<td>5% Contingency</td>
<td>$476,013.00</td>
</tr>
<tr>
<td>Total Project Cost All Alternates</td>
<td>$15,749,216.00</td>
</tr>
</tbody>
</table>

Project Funding
Staff is recommending an additional $2 million be transferred from general fund cash reserves to cover the project costs and provide for additional contingency.

V. ALTERNATIVES
Council could choose to reject the bids and rebid the project.

Council could choose to reject the bids and not rebid the project.

Council could choose to award the bid and not select any alternates.

Council could choose to award the bid and select less or more alternates as long as they are selected in sequential order.

VI. TIME CONSTRAINTS
According to the bidding documents, the bidders must hold their bids for up to 60 days from the date of the bid opening, December 7, 2021. Staff will need a decision from Council within that timeframe.

VII. LIST OF ATTACHMENTS
A. Budget Amendment
B. Bid Tab
C. Bid Summary with Alternates 1-4 Selected