

CITY OF BLOOMINGTON
2215 WEST OLD SHAKOPEE ROAD
HENNEPIN COUNTY, MINNESOTA 55431

CITY COUNCIL MEETING

Approved Minutes
Special Meeting
Meeting #5a

5:30 p.m.
February 20, 2001
Council Chamber

Call to Order Mayor Gene Winstead called the meeting to order.

Roll Call Present: Mayor Winstead, Councilmembers D. Abrams, M. Fossum, A. Ornat (arrived 5:45 pm), S. Peterson, and V. Wilcox.
Absent: H. Harden

Public Comment Period The Public Comment Period is not open during special meetings.

Reviewed Funding and Costs Associated with the Public Works Expansion Project Charles Honchell, Director of Public Works, began the presentation on the expansion of Public Works by stating that the agenda item on the Regular City Council meeting agenda is to authorize staff to proceed with construction bids. He stated that it is his expectation that the construction begin in 2001.

And He stated that there is \$9,150,000 available for the construction of the Public Works facilities (\$9 million in designated funds, not including the \$1 million that was allocated for the Flame Metals building and \$150,000 in various 2000-2001 Public Works Budgets). In addition, he explained that as part of the value engineering and other expenses that are normally handled by the owner (landscaping, painting, digging, and cement work mainly outside the building), approximately \$204,000 of out-of-pocket expenses will be done by the City with funds from the 2001 and 2002 Maintenance Budgets and that this will save the project three to four times the amount of such expenses. He added that approximately \$70,000 is available in the 2001 Budget for the relocation of the Licensing operation from the James Avenue building to the Logan site where the Utility Operations is currently located (\$30,000 to move them to the Logan site and another \$40,000 towards expanding that site if directed by Council). The current Public Works staff would then move into the Axman building.

Directed Staff to Hire Two Appraisals of the Two-Acre Parcel Along West 96th Street for Possible Acquisition by the City for Use as a Future Ponding Site Wilcox expressed concern that staff might be overloaded with the additional work associated with the Public Works expansion project. He indicated that he does not want to see City services (park and street maintenance, etc.) suffer at the expense of the Public Works expansion project in order to save some money.

Honchell stated that maintenance staff should be able to meet their normal maintenance operation schedule along with this added work presented by the expansion project. He added that in 2003, if Council determined that they wanted City forces to perform some of the work, staff would make the determination if it could do the work without sacrificing the public. He also stated that the work is planned to be completed without causing additional overtime hours.

Ed Kodet, Architect for the Public Works Expansion Project, explained that they have worked with Ankeny Kell, the architects for the new City Hall Project, to ensure that the designs will be compatible including the materials. He stated that they are on budget and that cost saving measures have been taken in the building to keep the project on budget.

Pat Barnett, Mortenson (construction manager), stated that they have completed an estimate on the architect's documents and believe they have a solid forecast of the costs for that project. He stated that the estimate of \$7,711,941 includes a document completion contingency of \$255,000 within that estimate in case the costs exceed the estimate at the time of bidding.

<Ornat arrived at 5:45 p.m.>

Barnett explained that in almost every aspect of the project, 2-3 community subcontractors were involved or material suppliers who helped out with the estimates, in addition to their own in-house estimates. He broke down the total project costs of \$9,150,000 as follows:

- Construction costs – with construction manager’s fee and document completion allowance (\$7,711,941)
- Design fees/reimbursables (\$700,000)
- Environmental (\$15,000)
- Testing and inspections with roof spec (\$42,000)
- Temporary relocation of all office personnel over to Axman facility (\$70,000)
- Owner contingency – 7.2% (\$611,000)

Barnett explained the three add-alternates (totaling \$188,604) that will be considered if the bids come in lower than anticipated to be as follows:

1. Upgrade to infrared heating in garage (\$50,000)
2. Change single-ply roofing to three-ply roofing system (\$84,600)
3. Include folding partitions (\$54,004)

The additional \$204,000, Barnett explained, is for the out-of-pocket costs that will be funded from the 2001 and 2002 Facility Maintenance Budget).

Winstead inquired if there are any deduct-alternates in case the bids come in over budget.

Barnett explained that they believe the \$255,000 they have allocated towards contingencies should cover any higher bids. He stated that interest in the project by contractors is high and therefore believes that the bids will come in under the projected number.

Winstead stated that if the bids come in under budget, the Council may decide not to exercise the add-alternate options to keep costs down but that the construction manager would probably request them to do so if that is the case.

Ed Kodet suggested that if the contingency amount is not used up after getting into the project, the contractor could be requested to hold the price on the add-alternate or it could be negotiated and added later on.

Wilcox suggested putting the alternates into the base bid and indicating them as deduct-alternates because he believes less will come back if the item is deducted and that it will cost more if it is added.

Kodet stated that their experience has proven just the opposite in that they have received better value using add-alternates because a more competitive price may result from a single bid item.

Barnett clarified that in the bidding documents, the alternates are referred to as “alternates” and not add-alternates and he concurred with Kodet, stating that their experience has shown that better value is received by the owner if they are treated as add-alternates rather than deduct-alternates. He also stated that the climate for steel is very good right now with good delivery and good pricing. He explained the breakdown of the bid packages that will all be bid at the same time are as follows: mechanical, electrical, demolition and site work combined, structure and enclosure, and interior masonry, sheetrock, and all the finishes.

Bernhardson explained that the construction manager believes his estimate going to bid is \$7.7 million less \$250,000 so there is some room in the budget if add-alternates are used.

Honchell again restated that Council's action tonight is to authorize the bids and advertising and direct staff to bring the bids back in April. The other item Honchell talked about is the \$1 million for the Flame Metals building. He explained that there is a proposal from Marine Electric to relocate to the Flame building. He stated that the City had not completed its environmental review of the site and that it had identified additional concerns. He stated that that building will probably no longer be available to Public Works as the boat dealer has reached an agreement with the owner of the Flame Metals building. Without that building, Honchell explained, approximately four acres of land, about 30,000 square feet for inside parking, and about 100 parking spaces will not longer be available on that site. Another alternative is to acquire a two-acre site immediately adjacent to Public Works for the construction of the pond where there would a small area left for the storage of some materials. However, the owner is not interested in selling the parcel to the City. They did indicate, however, they would consider exchanging their two-acre site for a two-acre parcel owned by the City directly across the street from Public Works. Since then, the owner of the two-acre site has applied for a building permit to construct a two-story office building on the parcel. However, their plan does not indicate any ponding area, which it would be required to have. He also stated that the soil is poor and that it is more suitable for a pond rather than a building and that it would be expensive to add pilings in order to make it feasible for a building. Honchell stated that he estimates that the parcel would cost the City approximately \$300,000. He stated that if the Council was interested in looking into the possibility of exchanging parcels, he would need to hire an appraiser.

Winstead suggested that staff have open discussions with the owner of the 2-acre site regarding alternatives in a timely fashion.

Honchell explained that the plan is not to build the stormwater pond until next spring and that in the interim, a swale would be constructed with a filter to carry the water to an existing stormwater manhole. He explained that it would not cost the City any more to wait until next spring to construct the pond because the City needs to extend the stormwater pipe across the railroad tracks to either the proposed ponding site or to the new proposed two-acre site at which point it would end at a manhole and that the plan is for City forces to dig the pond. He added that it would cost the City \$5,000 per appraisal to keep its options open if the City was to acquire the two-acre parcel eventually.

Peterson stated that he approved of the City spending \$10,000 on two appraisals to keep the City's options open and to keep the project moving in a timely manner.

Winstead concurred and stated that staff should explore all options including across the street as well as other options in the area and have open discussions with all parties concerned regarding the particulars pertaining to each site to examine all of the alternatives.

Adjourn Meeting

Mayor Winstead adjourned the meeting at 6:24 p.m.

Barbara Clawson
Council Secretary