

MEMO

To: City Council

Fr: Mayor Taylor

Dt: March 10, 2014

Re: Recommendation for Construction Contractor for the Public Works Facility

Dear Council Members,

On behalf of the Public Works Contractor Selection Committee, I recommend that we contract with Lundhal Building Systems, Inc. of Logan to construct our new Public Works Facility. While there was a diversity of opinion on the Selection Committee and thorough debate, all members have ultimately expressed their support for this recommendation. The purpose of this Memo is to outline the selection process with as much transparency as possible and to also highlight some of the key reasons we are recommending Lundahl for this project.

Public Works Committee

In September 2012 Mayor Harris and the City Council appointed a new Public Works Committee to reassess the project from ground zero, after the previous project and associated bond was overturned by North Ogden voters. This Committee was comprised of 9 citizen volunteers and all five members of the City Council. Brent Chugg was appointed as Chairman and has aptly led the Committee. The following served as members of the new Public Works Committee:

- Brent Chugg, Committee Chair
- Kent Bailey, City Council Member
- Wade Bigler, City Council Member
- Justin Fawson, City Council Member
- Cheryl Stoker, City Council Member
- Brent Taylor, City Council Member
- Lisa Christensen
- Aaron Farr
- Gyle Hollingsworth
- Lynn Millard
- Dan Nixon
- Lynn Satterthwaite
- Phil Swanson
- Eileen Truscott

Former Mayor Richard Harris, City Manager Ron Chandler, former Public Works Director Mel Blanchard, current Public Works Director Craig Giles, and Shelly Robinson, Public Work Administrative Assistant all made extremely valuable contributions in support of the Committee.

Process for Developing the Public Works Project

This Committee has met nearly two dozen times to assess, analyze, debate, and recommend how to move forward with this project, starting first with identifying the appropriate size and scope of the project. Next, lead by Committee member Dan Nixon, the Committee conducted a comprehensive analysis of potential sites and ultimately determined that the best location to be 220 East Pleasant View Drive (running north to Lomond View Drive). The Committee unanimously recommended this site on

May 8, 2013 and on May 14, 2013 the City Council unanimously voted to purchase 6.51 acres of property at the site for a total cost of: \$531,000.

After a site was selected and purchased, the Committee conducted a long and careful process of analysis to develop a Request for Proposals (RFP) that included the desired building specifications and parameters. The Committee unanimously choose to use the Design Build construction delivery method and an RFP was issued in November 2012 inviting contractors to propose designs that would meet the Committee's specifications as well as to bid on the cost of construction. The Committee's intent was to leverage competitive forces between construction companies in order to get the best possible design and construction price for North Ogden taxpayers. The RFP asked firms to bid for the base project, which included the maintenance shops, welding bays, wash bays, work areas, and office areas, and for firms to also bid prices for additional "add-on" items, such as a salt shed and a vehicle storage shed that would be considered for construction if the budget accomodated.

Three construction firms submitted design proposals, which were due in January 2014. A Selection Committee was assembled to review the bids, to conduct interviews, and to make a recommendation for who should be selected. The Selection Committee was composed of:

- Brent Taylor, Mayor
 - Kent Bailey, City Councilman
 - Lynn Satterthwaite, City Councilman
 - Craig Giles, Public Works Director
 - Matt Hartvigsen, City Engineer*
 - Ron Chandler, City Manager
 - Brent Chugg, Public Works Committee Chairman
 - Eileen Truscott, Public Works Committee Member
 - Gary Kerr, North Ogden Building Official*
- * = *Non-voting member*

Contractor Selection Process

The Selection Committee meet on five occasions times during the last two months to carefully develop a recommendation for the City Council:

- January 27: We developed scoring criteria and questions for the contractor interviews
- January 31: The Selection Committee interviewed all three contractors who submitted bids and held initial discussions about each contractor
- February 4: We meet to objectively rank the construction companies based on our scoring criteria and to develop a list of follow-on questions for each contractor. Lundahl was ranked significantly higher, and was tentatively selected as the "primary" contractor
- March 4: We meet to review additional information from Lundahl and decided that we wanted to interview Lundahl a second time to get additional clarification on certain items
- March 7: We meet to conduct a second interview with the primary selected contractor to answer additional follow-up questions and to confirm the Selection Committee's recommendation. After the second interview, all Selection Committee members felt comfortable recommending Lundhal as the contractor for the Public Works project

Reasons for Selecting Lundahl

We received three excellent proposals for the project, and selecting Lundahl was no easy task. All three contractors were highly experienced and extremely reputable, and any one of them could have done a great job. Several items really helped Lundahl stand out (see Lundahl site plan for more details):

- Only design that offered a separate administrative building from the shop area; this masonry building will be located nearest to the road and will provide a more attractive contribution to the residential neighborhood where the facility will be located
- Functional and practical steel shop building larger than the other proposals (bonus space)
- Shop building bays are walled and separate from one another, which allows for mezzanine-level bonus storage in most bays
- Higher number of unit heaters allows for more efficient heating of areas in use
- Only contractor who included road access to both Pleasant View and Lomond View Drive—enabling more site efficiency
- Best ventilation system design for the shop area, with drop-down hoses for vehicle exhaust
- Separate air conditioning system for IT servers
- Oil and air distribution lines from a central dispensary
- Best design to accommodate future shop expansion

We called several other cities who have used Lundahl recently for municipal building projects, and received very positive reports about their ability to deliver projects on time and within budget.

Construction Process

If approved by the City Council, we will begin the design process with Lundahl. We will take the proposed design and the fixed construction bid price we received as a starting point, and will look at several other potential options for orienting the site and buildings. Our intent will be to reduce the construction price by tweaking their proposal, and we believe that this is possible based on our most recent discussions. Based on these negotiations, we will develop and bring a construction contract back to the City Council for approval in the near future. Because we have received a firm price, in no case will the total cost of construction increase, unless we request changes that lead to a price increase.

Add-Ons

In general Lundahl offered significantly lower bids on the various add-on elements (Vehicle Storage Shed, Salt & Sand Shed, etc.), and this offers a unique opportunity to complete more of the entire project at this time while construction rates are still low. The Selection Committee did not make any formal recommendations on which add-ons to pursue or not pursue.

I give my personal recommendation that we should construct the following add-on items:

- Salt & Sand Shed, \$117,876
- Equipment Storage, \$117,876
- Fuel Station, \$28,561

By constructing these three items, we do a single construction project at once and end with a stand-alone and functional facility. We also enable ourselves to rehabilitate the old Public Works Site and to be able to prepare it for commercial sale.