

City Council

Agenda Item

Subject: Approval of Bid Award for the Wells Fargo Renovation and Addition for the New City Hall, Project No. 2035, to Huff Construction for total of base bid and all alternates in the amount of \$4,214,470.00.

Meeting: City Council - Apr 01 2024

From: Amanda Mack, City Manager

BACKGROUND INFORMATION:

On March 19, 2024, the City received seven (7) bids for the City Hall Renovation and Addition, Project #2035, ranging from \$4,214,470.00 to \$5,334,000.00. The low bid was received from Huff Construction for \$4,214,470.00, which was 15.7% lower than the Architect's estimate of \$5,000,000, and approximately \$30,000 lower than the next-low bidder.

The attached bid tabulation sheet presents the compilation of all bidders and their numbers for the base bid and alternates. Given the City's latitude to award any combination of base bid and/or bid alternates as determined appropriate by the Council to meet the City's needs, the resulting low bidder could change.

The Base Bid includes Remodel of Old Wells Fargo Building, the Council Chambers addition, and site work: \$3,944,370.00.

Alternate GC1-1 includes the enclosure of the teller canopy area to create a garage: \$266,600.00.

Alternate GC1-2 includes the removal of the vault door in the basement: \$3,500.00.

Staff are recommending awarding the base bid and both alternates. For alternate 1, the indoor vehicle storage has been identified at least since 2016 as a necessary project component by previous Mayors, City Councils, and City staff. At that time, preliminary drawings of a new City Hall included 4700 SF of garage space for 10 vehicles. After that, the Ruins multi-use site consideration included underground parking garage for City vehicle storage. Since then, the Wells Fargo canopy drive-through structure has been identified as a logical means to enclose and accomplish the indoor storage need. Some reasons the need was identified:

- City Hall has invested over \$260,000 in the current ten-vehicle City Hall fleet
- Need for secure storage for vehicles and their contents (expensive engineering survey equipment and IT equipment) - eliminate need to load/unload these items daily
- Gained efficiencies: reduced start-up/warm-up time in winter months, more efficient snow removal across the City Hall parking lot without having to relocate a fleet of vehicles
- Consistent with other recent new City Facility Projects where City vehicles are kept: Police Department, both Fire Stations, Wastewater Admin building, Airport SRE building, upcoming Street Maintenance Facility.

Previously, the project was bid on July 12, 2022, with one (1) bidder for a total of \$5,850,000, which is about 39%, or approximately \$1.6M higher than the current bid. The current design simplified the site work, electrical, plumbing, HVAC, and woodworking. The current bidding climate attracted more interest from Contractors within the region than the previous bid.

The current City Hall building has numerous deficiencies that result in a need for a new City Hall: ADA limitations, safety concerns, health concerns, age of the HVAC system, roofing, plumbing and electrical issues, and adequate employee and meeting space/layout limitations.

The proposed renovation of the Wells Fargo building provides adequate space for existing and future growth, addresses safety, adds a sprinkler system, replaces the shingles, updates the bathrooms and provides an addition of a Council Chambers meeting space that increases the existing capacity and provides for easier access and better community engagement. The alternate for the garage would keep City vehicles and equipment in a protected environment, protect the assets of vehicles and contents within them such as IT equipment and survey equipment, and improve efficiencies for operations by cutting down on winter weather start-up/prep time and parking lot snow removal coordination.

The City will also have Owner-provided FFE, interior signage, IT/AV equipment, and geotechnical testing as part of this project. The total estimate to complete this project is \$5,369,682.00.

FINANCIAL IMPACT:

There is \$10,241,463.46 remaining in the Capital Improvement Fund, Account 505-45603-43202, to be used for this project.

SUGGESTED MOTION:

Staff recommends approval of this Bid Award through the following motion:

I move to approve the Bid Award for the Wells Fargo Renovation and Addition for the New City Hall, Project No. 2035, to Huff Construction for total of base bid and all alternates in the amount of \$4,214,470.00.

STAFF REFERENCE(S):

Heath VonEye, Justin Petersen

ATTACHMENT(S):

[City Hall Bid Tab-Final](#)

[City Hall Bid Recommendation](#)

[City Hall Budget Summary-Cost to Finish](#)



Project: Watertown City Hall Renovation, City of Watertown
Project Location: Watertown, South Dakota
TSP Project No.: 09201051
Bid Date/Time: Tuesday, March 19, 2024 at 3pm local time

	CONTRACTOR NAME											
	CITY HALL REMODEL AND ADDITION								ASBESTOS ABATEMENT			
	Huff Construction	Gray Construction	Hegg Construction	Sunkota Construction	Lloyd Companies	Sentry	Peska Construction		Prairie Enviromental Consulting	Horsley Specialties Inc.	Mavo Systems	
Bid Security												
Check												
Bond	Y	Y	Y	Y	Y	Y	Y					
Prebid Meeting												
Addenda												
1	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	
2	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	
3	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	
4	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y	
Base Bid GC1	\$3,944,370.00	\$3,899,000.00	\$4,000,000.00	\$4,143,700.00	\$4,198,000.00	\$4,780,000.00	\$4,867,000.00					
Base Bid AA1									\$31,850.00	\$68,400.00	\$74,351.00	
Alternates												
Alternate No. GC1-1	\$266,600.00	\$340,000.00	\$297,432.53	\$214,864.00	\$230,000.00	\$193,000.00	\$437,000.00					
Alternate No. GC1-2:	\$3,500.00	\$7,000.00	\$6,541.00	\$4,500.00	\$13,500.00	\$10,000.00	\$30,000.00					
Special Forms												
Abatement Schedule												
Remarks												
Total Base Bid	\$3,944,370.00	\$3,899,000.00	\$4,000,000.00	\$4,143,700.00	\$4,198,000.00	\$4,780,000.00	\$4,867,000.00		\$31,850.00	\$68,400.00	\$74,351.00	
Total Base Bid + Alternate No. GC1-1	\$4,210,970.00	\$4,239,000.00	\$4,297,432.53	\$4,358,564.00	\$4,428,000.00	\$4,973,000.00	\$5,304,000.00					
Total Base Bid + Alternate No. GC1-2	\$3,947,870.00	\$3,906,000.00	\$4,006,541.00	\$4,148,200.00	\$4,211,500.00	\$4,790,000.00	\$4,897,000.00					
Total Base Bid + Alternate No. GC1-1 + Alternate No. GC1-2	\$4,214,470.00	\$4,246,000.00	\$4,303,973.53	\$4,363,064.00	\$4,441,500.00	\$4,983,000.00	\$5,334,000.00					



14 W Kemp Ave
Watertown, SD 57201

(605) 884-7090

teamtsp.com

Architecture
Engineering
Planning

March 22, 2024

RE: City of Watertown
Renovation and Addition for New City Hall
Watertown, South Dakota
TSP Project No. 09201051

Justin Peterson, City Engineer
City of Watertown
23 2nd Street NW
PO Box 910
Watertown, South Dakota 57201

Justin,

On March 19, 2024, bids were received on the above-named project. Multiple prime bids were received for each respective contract as identified on the attached Bid Tab. Recommendations regarding the asbestos abatement will be provided by Geotek Engineering & Testing Services, Inc.

With seven prime bidders for the General Construction contract, the results indicate a good bidding environment. The apparent low bid(s) are lower than recent cost estimates and appear to be fair and reasonable. The General Construction base bids ranged from \$3,899,000.00 to \$4,867,000.00, with Gray Construction submitting the apparent low base bid.

Alternate GC1-1 (enclose the drive-thru teller structure) had bids ranging from \$266,600.00 to \$437,000.00. Huff Construction submitted an apparent low base bid plus Alternate GC1-1 of \$4,210,970.00.

Alternate GC1-2 (removal of the existing vault door) had bids ranging from \$3,500.00 to \$30,000.00. The acceptance or rejection of Alternate GC1-2 will not influence which contractor would have the apparent low bid.

TSP has been in contact with both potential low bidders (Gray Construction and Huff Construction). Both contractors indicated they have no exceptions to their submitted bids and stand by the submitting bid amounts.

Through coordination with the Public Works Director, Heath VonEye; the City Engineer, Justin Peterson; and the City Attorney, Lisa Carrico, the options that have been identified and researched are summarized as follows:

OPTION 1

- Accept the base bid as submitted by Gray Construction for \$3,899,000.00. Alternate GC1-1 (enclose the drive-thru teller structure) would need to be rejected. Alternate GC1-2 (removal of the existing vault door) could be accepted or rejected.

OPTION 2

- Accept the base bid and Alternate GC1-1 (enclose the drive-thru teller structure) for \$4,210,970.00. Alternate GC1-2 (removal of the existing vault door) could be accepted or rejected. The apparent low for this option is Huff Construction.

Please contact me if you wish to discuss this further or let us know how you wish to proceed.

TSP, Inc.

A handwritten signature in black ink, appearing to read "Tadd M. Holt", with a stylized flourish at the end.

Tadd M. Holt, PE
Project Manager

cc: Rex A. Hambrock

Project Budget-Cost to Finish

Date: March 22, 2024

Project Name: Renovation and Addition for New City Hall
Project Address: Watertown, SD
Project Budget: Post Bid Estimate

DESCRIPTION	LEFT TO COMPLETE WF RENOVATION FOR NEW CITY HALL	REMARKS
-------------	--	---------

CONSTRUCTION

Base Bid (site work, renovation & addition)	\$ 3,944,370	Huff Construction
Alternate 1 - Enclose drive through structure	\$ 266,600	Huff Construction
Alternate 2 - Remove existing vault door	\$ 3,500	Huff Construction
Asbestos Abatement	\$ 31,850	Prairie Environmental
Owner Construction Contingency (2.5%)	\$ 55,361.75	Plus \$50,000 Allowance in Bid

Total Proposed Construction Budget	\$ 4,301,682
------------------------------------	--------------

REMAINING COSTS BY CITY (ESTIMATED)

A/V and Technology	\$ 400,000	Networking (cable, conduit, network racks, fiber, battery back-ups), Security/Door access, AV for Council and Basement Conference room, TVs/Digital Signage for conference rooms/offices
Furniture/Furnishings/Equipment	\$ 640,000	30 FTE, 3 meeting rooms, training room, council chambers: desks, chairs, tables, printers, file cabinets, cubicle walls, high density storage, safe
Interior Signage	\$ 20,000	Estimated
Construction Testing and Inspection	\$ 8,000	Budget-Geotek
	\$ -	

Subtotal:	\$ 1,068,000
-----------	--------------

Totals	\$ 5,369,682
--------	--------------