



Public Works Utility Operations Department

DATE: March 8, 2022

FROM: Michelle Klose, Public Works Utility Water Director

ITEM: Approval of Limited Authorization to Proceed with Kraus-Anderson for the New Public Health Building and Public Works Expansion Projects

REQUEST:

Approval of the Limited Authorization to Proceed with Kraus-Anderson Construction Company for the New Public Health Building and Public Works Expansion Projects.

Please place this item on the March 8, 2022, City Commission meeting agenda.

BACKGROUND INFORMATION:

Kraus-Anderson Construction Company was selected following an RFP released in September 2021 to provide comprehensive construction management at-risk services for preconstruction and construction of the public health building and expansion of the public works building.

The project is entering the construction phase. With the limited time frame for completion of the Public Health building and supply chain and subcontractor concerns in the current environment, the project is presented with a limited authorization to proceed until a final Guaranteed Maximum Price is finalized. This first step, Bid Package #1, covers Public Health building concrete, structural steel material and erection, and building excavation and fill. Another bid package for Public Health is going out next week, and a bid package for structural steel for Public Works will go out at the end of the month.

The Limited Authorization to Proceed scope of work (as defined in Bid Package #1 attached) includes concrete, structural steel materials and erection, and building excavation and fill for Public Health. As defined in Bid Package #1, the scope of work will be completed for \$1,370,804.00, which will be included in the final Guaranteed Maximum Price.

RECOMMENDED CITY COMMISSION ACTION:

Approve the Limited Authorization to Proceed with Kraus-Anderson Construction Company for the new public health building and public works building expansion at the cost of \$1,370,804.00.

STAFF CONTACT INFORMATION:

Michelle Klose | Director of Utility Operations | 355-1700 | mklose@bismarcknd.gov



March 7, 2022

Michelle Klose, PE
Director Utility Operations
City of Bismarck Public Works
601 South 26th Street
Bismarck, ND 58506-5503

Re: City of Bismarck New Public Health Building and Expansion of Public Works Building
A133-2019 Agreement dated November 1, 2021 between City of Bismarck (“Owner”) and Kraus-Anderson Construction Company (“Construction Manager”) (the “Agreement”)

Dear Ms. Klose:

Kraus-Anderson Construction Company, as Construction Manager, and City of Bismarck, as Owner, are in the process of negotiating the Construction Manager’s GMP Proposal pursuant to the above-referenced Agreement. Notwithstanding that the parties have not yet executed the Guaranteed Maximum Price Amendment to set the GMP for the Project, the Owner desires Construction Manager to commence certain work on the Project.

Pursuant to Section 3.2.7 of the Agreement, Owner hereby (i) authorizes Kraus-Anderson to perform the work on the Project described in Attachment A to this letter agreement, (the “Preliminary Work”); and (ii) agrees to pay Kraus-Anderson for the Preliminary Work pursuant to the terms of the Agreement. Kraus-Anderson agrees to perform the Preliminary Work in accordance with the Agreement and the Contract Documents.

The Preliminary Work shall be included in the final GMP, and once the Guaranteed Maximum Price Amendment is executed, the parties shall reconcile amounts invoiced by Construction Manager and paid by Owner for all Preliminary Work performed.

Sincerely,

KRAUS-ANDERSON CONSTRUCTION COMPANY

By: _____
Ross Wilmes, Vice President, Director of Operations

Enclosure – Attachment A

Accepted and agreed to this ____ day of _____, _____.

CITY OF BISMARCK

By: _____

Its: _____

ATTACHMENT A

Scope of Work:

Bid Package #1 consists of the following worksopes: 1-A Testing and Inspection Services (for work associated with Bid Package #1 only), 1-E Construction Fencing & Barriers, 3-A Concrete Package (Building Related), 5-A Structural Steel Supply, 5-B Structural Steel Erection and 31-A Building Excavation. All work to be completed per Leo A Daly Bid Package 1 drawings dated 02/01/2022, Leo A Daly Bid Package 1 specifications dated February 02, 2022, Kraus-Anderson BP #1 Special Requirements dated January 31, 2022 and Addendum #1 dated 02/11/2022. We have also included costs for general conditions, bond, applicable insurances, site management and fee associated with this portion of the work. The scope of work is scheduled to start approximately April 4th, 2022.

Work approved under this LATP will include the Base Bid, Alternate #1 (Add subcontractor bond to Glass Concrete, Alternate #4 (Add indoor parking area) and VE #1 (Deduct employee patio).

BP #1 Base Bid: \$1,279,032.00

Alternate #1: \$10,629.00

Alternate #4: \$99,333.00

VE #1: (\$18,190.00)

The scope of work as defined in Bid Package #1 will be completed for \$1,370,804.00.

Kraus-Anderson Construction

Bid Package Analysis - BP #1

Bismarck Public Health

3/3/2022

Itemized Cost Breakdown

BID PKG	Work Scope	DESCRIPTION	RECOMMENDED BIDDER	BP#1 Base Bid	Bond Included?	Alt #1 - Add P&P Bond	Alt #2 - Add Landscaping Benches @ Entrance	Alt #3 - Add Main Entrance Canopy & Foundations	Alt #4 - Add Indoor Parking Area	Alt #5 - Deduct Multi-Purpose Area	VE #1 - Remove Employee Patio	REMARKS
1	3-A	Concrete Package	Glass Concrete	\$ 280,000.00	Y	\$ 10,000.00	\$ 8,500.00	\$ 8,000.00	\$ 30,000.00	\$ (5,200.00)	\$ (3,000.00)	
1	5-A	Structural Steel - Material Only	Ted Mannstedt & Sons	\$ 479,700.00	N	\$ 4,900.00		\$ 25,600.00	\$ 37,800.00	\$ (17,600.00)	\$ (12,623.00)	
1	5-B	Structural Steel - Erection	Innovative Erectors	\$ 148,900.00	N	\$ 2,235.00		\$ 13,700.00	\$ 17,400.00	\$ (11,400.00)	\$ (690.00)	
1	31-A	Building Excavation & Fill	Bowers Construction	\$ 73,449.00	N	\$ 2,200.00	\$ 1,200.00	\$ 3,850.00	\$ 3,640.00	\$ (1,680.00)	\$ (800.00)	
Miscellaneous allowances:												
1	1-A	Testing and Inspection Services	Terracon	\$ 8,499.75					\$ 1,064.75			
1		Layout and Staking		\$ 7,500.00					\$ 2,500.00			
1		Building Permit		\$ 5,250.00								
1		Temporary Electrical Consumptioin		\$ 1,600.00								
1		Temporary Construction Fence		\$ 20,000.00								
1		SWPPP		\$ 6,750.00								
1		General Cleaning & Dumpsters		\$ 3,844.00					\$ 1,045.00			
1		General Conditions	BP #1 Only	\$ 157,075.00								
1		Performance/Payment Bond	BP #1 Only	\$ 7,155.41	\$ -	\$ 60.00	\$ 58.20	\$ 306.90	\$ 560.70	\$ (215.28)	\$ (102.68)	\$ -
1		Liability Insurance - 0.82%	BP #1 Only	\$ 9,837.73	\$ -	\$ 82.00	\$ 80.02	\$ 421.95	\$ 770.89	\$ (295.98)	\$ (141.17)	\$ -
1		Builders Risk Insurance	Entire Project	\$ 11,186.00								
1		KA Construction Contingency - 3%		\$ 36,286.83	\$ -	\$ 304.26	\$ 295.15	\$ 1,556.37	\$ 2,843.44	\$ (1,091.74)	\$ (520.71)	\$ -
1		Contractors Fee - 1.75%		\$ 21,998.09	\$ -	\$ 182.81	\$ 177.33	\$ 935.12	\$ 1,708.43	\$ (655.95)	\$ (312.86)	\$ -
		BP#1 TOTALS		\$ 1,279,031.80	\$ -	\$ 10,629.07	\$ 10,310.70	\$ 54,370.33	\$ 99,333.21	\$ (38,138.95)	\$ (18,190.41)	\$ -
		GRAND TOTAL - BASE BID		\$ 1,279,031.80		\$ 10,629.07	\$ 10,310.70	\$ 54,370.33	\$ 99,333.21	\$ (38,138.95)	\$ (18,190.41)	

With Alternates **\$ 1,370,804**

CONTRACT ITEM	BID PACKAGE	PHASE		CO ORIGINAL UNITS	ORIGINAL UNITS	UM	ORIGINAL ESTIMATE	REVISED VALUE
915		01.3002.10.	Project Director	5	0.00	34.000 HRS	6,250.00	6,250.00
915		01.3002.15.	Sr. Project Manager I	5	0.00	173.000 HRS	167,200.00	167,200.00
915		01.3002.24.	Assistant Project Manager	5	0.00	1.000 LS	241,261.00	241,261.00
915		01.3002.30.	Lead Superintendent	5	0.00	301.000 HRS	-	-
915		01.3002.30.	Lead Superintendent	6	0.00	301.000 HRS	277,312.00	277,312.00
915		01.3002.35.	General Superintendent	6	90.00	1.000 HRS	9,900.00	9,900.00
915		01.3002.40.	Safety Engineer	5	0.00	0.000 LS	8,550.00	8,550.00
915		01.3002.60.	Quality Director	5	120.00	0.000 HRS	12,000.00	12,000.00
915		01.3002.70.	Project Coordinator	5	0.00	86.000 HRS	35,100.00	35,100.00
915		01.3002.75.	Project Accountant	5	144.00	16.000 HRS	6,480.00	6,480.00
915		01.3105.01.	Travel Expense - Project Manager	2	0.00	1.000 LS	16,033.00	16,033.00
915		01.3105.02.	Travel Expenses - Asst. Project Manager	2	0.00	1.000 LS	12,950.00	12,950.00
915		01.3105.03.	Travel Expenses - General Supt and Safety	2	0.00	1.000 LS	13,500.00	13,500.00
915		01.3105.10.	Travel Expenses	2	0.00	1.000 LS	1,700.00	1,700.00
915		01.3105.20.	Travel Expenses (Superintendent)	2	0.00	1.000 LS	3,280.00	3,280.00
915		01.3106.00.	Subsistence	2	0.00	0.000 LS	-	-
915		01.3106.00.	Subsistence	9	0.00	1.000 LS	63,412.00	63,412.00
915		01.3106.01.	Subsistence - Asst. PM, includes lodging	9	0.00	1.000 LS	37,700.00	37,700.00
915		01.3106.10.	Tax Consequence if over 12 months -Supt	2	0.00	1.000 LS	17,500.00	17,500.00
915		01.3106.15.	Tax Consequences over 12 months - AP	2	0.00	1.000 LS	5,550.00	5,550.00
915		01.3107.00.	Lodging (Superintendent)	2	0.00	1.000 LS	6,400.00	6,400.00
915		01.3110.00.	Pick-up Truck - Supt	7	0.00	0.000 LS	36,000.00	36,000.00
915		01.3110.10.	Gas & Oil for Sups Truck	2	0.00	0.000 LS	14,800.00	14,800.00
915		01.3130.20.	Reproduction Costs - Construction	2	0.00	1.000 LS	6,250.00	6,250.00
915		01.3600.00.	Administrative and Legal Fees	2	0.00	0.000 LS	-	-
915		01.3610.00.	Misc. Expenses - BID PACKAGE 1	2	0.00	1.000 LS	1,600.00	1,600.00
915		01.3610.00.	Misc. Expenses - BID PACKAGE 1	7	0.00	0.000 LS	-	-
915		01.3640.00.	Safety Supplies	2	0.00	0.000 LS	4,500.00	4,500.00
915		01.3640.00.	Safety Supplies	7	0.00	1.000 LS	-	-
915		01.4126.00.	Building Permit (ALLOWANCE)	2	0.00	0.000 LS	-	-
915		01.5116.00.	Temporary Fire Protection	2	0.00	1.000 LS	2,400.00	2,400.00
915		01.5210.10.	Set up and Dismantle	2	0.00	1.000 LS	5,000.00	5,000.00
915		01.5210.30.	Temp Office - Trailer Rental (Yard)	7	0.00	70.000 WKS	16,450.00	16,450.00
915		01.5212.00.	Office Equipment	2	0.00	16.000 MOS	8,000.00	8,000.00
915		01.5214.00.	Copy/Postage/Supplies (ALLOCATION)	8	0.00	0.000 LS	24,390.00	24,390.00
915		01.5214.10.	Copy/Postage/Supplies	2	0.00	1.000 LS	2,710.00	2,710.00
915		01.5214.10.	Copy/Postage/Supplies	8	0.00	0.000 LS	-	-
915		01.5215.00.	Office Supplies	2	0.00	16.000 MOS	3,200.00	3,200.00
915		01.5219.00.	Temporary Sanitation - Rental	2	0.00	1.000 LS	28,800.00	28,800.00
915		01.5220.00.	UPS/Fed Ex Service	2	0.00	18.000 MOS	900.00	900.00
915		01.5221.00.	Internet Service	2	0.00	16.000 MOS	3,200.00	3,200.00
915		01.5222.00.	P.M. Office - Drinking Water	2	0.00	16.000 MOS	1,600.00	1,600.00
915		01.5225.00.	Project Collaboration Technology (ALLOCATION)	2	0.00	0.000 LS	-	-
915		01.5225.00.	Project Collaboration Technology (ALLOCATION)	8	0.00	0.000 LS	23,082.00	23,082.00
915		01.5225.10.	Project Collaboration Technology	2	0.00	1.000 LS	1,778.00	1,778.00
915		01.5225.10.	Project Collaboration Technology	8	0.00	0.000 LS	-	-
915		01.5230.20.	Telephone - Mobile Phones (ALLOCATION)	8	0.00	0.000 LS	21,150.00	21,150.00
915		01.5230.30.	Telephone - Mobile Phones	2	0.00	1.000 LS	2,400.00	2,400.00
915		01.5230.30.	Telephone - Mobile Phones	8	0.00	0.000 LS	-	-
915		01.5813.00.	Temporary Project Signage	2	0.00	2.000 EA	2,400.00	2,400.00
915		01.7123.30.	Construction Survey - Licensed - BID PACKAGE 1	4	0.00	1.000 LS	3,500.00	3,500.00
915	1	91.2000.00.	Builder's Risk Insurance	2	0.00	1.000 LS	150.60	150.60
							1,156,338.60	1,156,338.60
								87,498.00
							29,791,357.61	-28,635,019.01
							1,324,449.00	
							168,110.40	