



Public Works Utility Operations Department

DATE: April 20, 2022

FROM: Michelle Klose, Public Works Utility Water Director

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

REQUEST:

Approval of the updated 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 April 26, 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 projects entered into the construction phase with the approval of a limited authorization to proceed with the first step Bid Package #1, covering the Public Health Building concrete, structural steel material and erection, and building excavation and fill.

The updated Limited Authorization to Proceed before you includes Bid Package #2 for the Public Health Building. With the limited time frame for completion of the Public Health Building and with supply chain and subcontractor concerns in the current environment, the project is presented with this updated limited authorization to proceed until a final Guaranteed Maximum Price is finalized.

The updated Limited Authorization to Proceed scope of work (as defined in Bid Package #2 attached) includes framing, sheathing, weather barrier, metal panels, masonry, roofing & doors/windows. This package also includes site concrete, landscaping, site utilities, and procurement of major mechanical and electrical equipment for Public Health. The scope of work as defined in Bid Package #2 will be completed for \$2,904,771.00 which will be included in the final Guaranteed Maximum Price.

RECOMMENDED CITY COMMISSION ACTION:

Approve the updated Limited Authorization to Proceed with Kraus-Anderson Construction Company for the new Public Health Facility and Public Works Building Expansion at a cost of \$2,904,771.00.

STAFF CONTACT INFORMATION: Michelle Klose, Director of Utility Operations, 355-1700, mklose@bismarcknd.gov



April 20, 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 #2 consists of the following worksopes: 3-A Concrete Package (Building Related – includes extra work added with BP #2 documents), 4-A Masonry Package, 5-C Cold Formed Metal Framing Package, 7-D Weather Barrier Package, 7-F Metal Panel Package, 7-H Roofing Package, 8-A Doors, Frames & Hardware Package, 8-E Sectional Overhead Door Package, 8-F Exterior Glass & Glazing Package, 20-A Major Mechanical Equipment Package, 26-A Generator Package, 26-B Electrical Equipment Package, 32-B Concrete Paving Package, 32-F Irrigation and Landscaping Package and 33-A Site Utility Package. All work to be completed per Leo A Daly Bid Package 2 drawings dated 03/11/2022, Leo A Daly Bid Package 2 specifications dated March 11, 2022, Kraus-Anderson BP #2 Special Requirements dated March 16, 2022 and Addendum #1 dated 03/18/2022, Addendum #2 dated 03/30/2022, Addendum #3 dated 04/04/2022 and Addendum #4 dated 04/05/2022. We have also included costs for general conditions, bond, applicable insurances, site management and fee associated with this portion of the work.

Work approved under this LATP will include the Base Bid, Alternate #1 (Add subcontractor bond to Glass Concrete, Alternate #4 (Add indoor parking area), VE #2 (Deduct for Fabricated Sheet Metal in lieu of Aluminum Trim), VE #3 (Morin Integrity in lieu of Morin Matrix Metal Wall Panels), VE #4 (Eliminate CMU Dumpster Enclosure, Change Masonry Band to Cast Stone in Lieu of Granite), VE #5 (Change Twenty Interior Door Frames to Sidelite Frames) and VE #6 (Provide Clear Solarban 72 in lieu of Acuity Solarban 72 Glass)

BP #2 Base Bid: \$2,979,685.00

Alternate #1: \$5,074.00

Alternate #4: \$139,058.00

VE #2: (\$39,329.00)

VE #3: (\$25,511.00)

VE #4: (\$150,605.00)

VE #5: \$7,241.00

VE #6: (\$10,842.00)

The scope of work as defined in Bid Package #2 will be completed for \$2,904,771.00.