



Public Works Utility Operations Department

DATE: May 17, 2022

FROM: Michelle Klose, Public Works Utility Water Director

ITEM: Approval of Limited Authorization to Proceed with Kraus-Anderson for the Public Works Expansion Project

REQUEST:

Approval of Limited Authorization to Proceed with Kraus-Anderson Construction Company for the Public Works Expansion Project.

Please place this item on the May 24, 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 Public Works Building Project is entering into the construction phase. With the 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 is for the Public Works Expansion Project at a cost of \$5,976,054.00.

RECOMMENDED CITY COMMISSION ACTION:

Approve the Limited Authorization to Proceed as defined in Bid Package #1 with Kraus-Anderson Construction Company for the Public Works Building Expansion at a cost of \$5,976,054.00.

STAFF CONTACT INFORMATION:

Michelle Klose | Utility Operations Director | 701-355-1700 | mklose@bismarcknd.gov



May 17, 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 24th day of May, 2022.

CITY OF BISMARCK

By:

Steve Bakken

Its: President of Board of City Commissioners

ATTACHMENT A

Scope of Work:

Bid Package #1 consists of the following workscopes associated with the Public Works portion of the Project: 1-A Testing and Inspection Services (for work associated with Bid Package #1 only), 3-A Concrete Package (Building Related for Buildings R and C), 13-G Pre-Engineered Metal Buildings and 31-A Building Excavation (Related to Buildings R and C). All work to be completed per Leo A Daly Bid Package 1 drawings dated 04/01/2022, Leo A Daly Bid Package 1 specifications dated April 01, 2022, Kraus-Anderson BP #1 Special Requirements dated April 07, 2022, Addendum #1 dated 04/14/2022, Addendum #2 dated 04/26/2022 and KA Pre-Bid Memo #1 dated 4/29/2022. 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 August 1st, 2022.

Work approved under this LATP will include the Base Bid, Alternate #1 (Add subcontractor bond), VE #3 (Add Piers at Interior Pad Footings Building R), VE #5 (Trapezoidal Standing Seam Roof Panels in lieu of VR 16 Specified at Buildings R and C), and VE #6 (Reduce the Roof Slope at Building C from 3/12 to 1.75/12).

BP #1 Base Bid: \$6,082,053.00

Alternate #1: \$33,748.00

VE #3: \$9,354.00

VE #5: (\$113,417.00)

VE #6: (\$35,684.00)

The scope of work as defined in Bid Package #1 will be completed for \$5,976,054.00