

COUNCIL ACTION FORM

SUBJECT: **UNIT #8 – PRECIPITATOR ROOF REPLACEMENT**

BACKGROUND:

On June 23, 2020, City Council approved preliminary plans and specifications for the Unit #8 – Precipitator Roof Replacement. This project is for the replacement of Unit 8 Precipitator Roof. Degradation to the current roof has resulted in water leakage throughout the Power Plant during seasonal rainfalls and snowmelts.

Bid documents were issued to 23 firms and six plan rooms. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation.

On August 19, 2020, two bids were received as shown below:

Bidder	Sales and/or Use taxes included in Lump Sum	Lump Sum Bid
<i>Engineer's Estimate</i>	--	\$250,000
Henkel Construction Company Mason City, IA	\$5,346	\$487,784
Hansen Company, Inc. Johnston, IA	\$1,820	\$662,750

Staff reviewed the bids and concluded that the apparent low bid submitted by Henkel Construction Company, Mason City, IA, in the amount of \$487,784 (inclusive of Iowa sales tax) is acceptable.

The Engineer's estimate was based on previous projects that the Engineer had worked on that were similar in scope of manufacturing companies. One main difference between the previous projects and this project is the location and access to the roof at the Power Plant, which are quite limiting and require a lot of workarounds for demolition and installation. **The City previously solicited bids from roof contractors, but received no bids.** Their major concern was that potential bidders felt a portion of the project (replacing the roof decking) would need to be performed by a general contractor and they were also concerned about the location and access to the roof itself. **The City is now bidding the project for a second time and sent the bid to general contractors who would then subcontract a roofing company. We received only two bids** (Henkel and Hansen).

After speaking with Henkel, they reiterated that the re-roofing portion of the project was not out of the ordinary, but the limited access to the roof for demolition and

installation could be challenging, especially when trying to address protecting the interior portion of the plant from flooding and debris.

The approved FY 2019/20 budget has \$208,000 allocated for this project. The remaining \$279,784 will be transferred from the unused balance in the Power Plant Fire Protection CIP, currently at \$652,000.

ALTERNATIVES:

1. Award a contract to Henkel Construction Company, Mason City, IA, for the Unit #8 Precipitator Roof Replacement in the amount of \$487,784 (inclusive of Iowa sales tax).
2. Award a contract to another bidder.
3. Reject all bids and delay the Unit 8 Precipitator Roof Replacement project.

CITY MANAGER'S RECOMMENDED ACTION:

This work is necessary for the replacement of the existing roof, steel roof deck, and wall panels. Given that this is the second time we have bid this project and feedback that there is limited space for a contractor to accomplish the work, it is unlikely that rebidding the project for a third time will result in lower bids. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.