

Monday, August 16, 2021

Village Board
5:30 PM

McFarland Municipal Center
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The Public is strongly encouraged to watch and participate in these meetings remotely through either the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:

<https://us02web.zoom.us/j/82855422931>

Or by Telephone: +1 (312) 626-6799

Webinar ID: 828 5542 2931

1. CALL TO ORDER.
2. ATTENDANCE/ROLL CALL.
3. PUBLIC APPEARANCES.
 - a. This is an opportunity for members of the public to address the Village Board. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the board for their consideration. Members of the public who are present in person and wish to address the board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to cassandra.suettinger@mcfarland.wi.us to be included as part of the meeting.
4. BUSINESS.
 - a. Discussion and action regarding the award of contract for the construction of the Public Safety Center located at 6001 Broadhead Street.
5. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us

McFarland
SUMMARY SHEET

MEETING DATE: Monday, August 16, 2021

SECTION: Business

DEPARTMENT: Administration

CONTACT: Matt Schuenke, Village Administrator

AGENDA ITEM: Discussion and action regarding the award of contract for the construction of the Public Safety Center located at 6001 Broadhead Street.

PREVIOUS ACTION:

Phase 1 Complete (Planning) - September 28, 2020

Phase 2 Complete (Design) - June 28, 2021

Phase 3 Complete (Bidding) - August 12, 2021

ISSUE SUMMARY:

The Village has been working on the planning, design, and now finishing the bidding process for the construction of a new Public Safety Center. This facility is a little under 60,000 square feet in size that will be the future home of the Fire/Rescue, Municipal Court, and Police Departments. The location of the facility will be at 6001 Broadhead Street located on the southeast corner of Broadhead and Holscher roads. The construction of this facility is the culmination of multiple years of work and study to plan the future space needs for the Village.

The facility will also be highly environmentally sustainable. While utilizing several design efficiencies and sustainable materials, it is also designed as a net zero energy building. Through the use of solar panels and geothermal HVAC, the facility itself will create at least as much energy than it consumes, lowering its reliance on fossil fuels provided through the power grid.

We are not aware of any other Public Safety Center facilities with this level of environmental sustainability in the State of Wisconsin. [More project background information can be found by clicking on this link.](#)

The bid advertisement was issued on July 14th with bids due on August 12th. In total there were 9 General Contractors that took out plans for the project and 8 that were pre-qualified. At the time of bid opening, 7 bids were received for the Village to consider.

The lowest responsive and responsible bidder was JP Cullen that is headquartered in Janesville with offices in Madison and Milwaukee. They have been a General Contractor since 1892 having completed several notable projects especially in the Madison area. Most notably related to our project is the construction of the Public Safety Center for the Village of Mt. Horeb which is very similar to our project. Both the Architect and Owner's Representative report positive



experience with the Contractor. In addition, affidavits submitted by JP Cullen, including those submitted by their sub-contractors, were compliant with Village Ordinances.

JP Cullen is proposing to begin the project in mid-September of this year and be completed near the end of November in 2022. Assuming contract award by the Village Board, Staff through its Consultants will execute the contract for the project. Financial implications of the project are detailed below. A letter summarizing the bidding process, including the full bid summary, is included in your packet for review from the Owner's Representative.

FINANCIAL/BUDGET IMPACT:

The following summary is presented to show the complete picture of all the costs associated with the project against available revenues allocated for its construction.

EXPENSES

The base construction bid for the project was determined at bid opening in the amount of \$18,782,943 with the possibility of deduct alternates in the amount of \$275,244 lowering the construction cost to \$18,507,699. This is significantly over the project cost estimates prior to bidding. Please note the following update on expenses with the bid added in:

\$56,322	Pre-Development
\$1,221,585	Professional Services
\$824,515	Owner Provided Equipment and FFE
\$18,782,943	Construction
(\$275,244)	Deduct Alternates
\$85,000	Other Project Expense
\$1,003,700	Contingency
(\$821)	Rounding
\$21,698,000	Total Project Expenses

The current project deficit sits at \$2,166,000 meaning that expenses exceed our allocated revenues by that amount in order to construct the building as presently designed.

It is very challenging to all involved to receive bids that are over budget, particularly given all the hard work we've done to bring the project to bid. It is also indicative that the market is not likely to yield a lower cost product given that we received the lowest responsive and responsible bidder, there were 7 bids received with only a 7% spread from low to high, and the economy continuing to remain influx as a result of the pandemic.

This is the project the Village needs and it is unlikely to get any less expensive. At this point, the project team has made a number of cuts through the deduct alternates. Changing the project design further to address this overage would require a discussion on removing the sustainability features, thousands of square feet, and appropriate levels of asset protection/safety (i.e. - garage space) all of which likely is not desirable in a building with a 30 year planned lifespan.

There are a few things that are feasible to consider to keep this project moving forward. A small effort to start are the deduct alternates. Several were included in the bid package to present



various cost saving ideas to the contract to get a price on to consider if the base bid came in in excess of cost estimates. These changes will not get us extremely far but together to make up a decent reduction that we feel is agreeable to pursue. Please note the following deductions from the project that are recommended:

- Colored Drive Lanes (\$32,452) - The base bid included colored drive lanes within the garage bays. The alternate creates a standard color with a more simple outline which provides for the listed cost savings.
- Apparatus Bay Windows (\$28,235) - The base bid included "clearstory" windows above the apparatus bay doors on the north side of the facade. This alternate would remote these windows in favor of a solid wall.
- Roof Top Pavers (\$21,105) - The base bid includes roof top pavers for navigation and the alternate suggests pads to provide a similar level of access.
- Metal Ceiling Alternate Lobby Layout (\$12,060) - The base bid includes a more dense layout. this alternate spreads out the metal accent panels rending some savings.
- Squad Room Clearstory (\$181,392) - The base bid included a clearstory around the ceiling of the squad room of the Police Department to bring in more natural light. The alternate keeps the roof level while utilizing sky lights to achieve a similar effect.

These savings total \$275,244 and are included in the calculation for expenses above. There were other alternates considered that are not recommended for acceptance as it was felt if pursued they affected the functionality of the building, safety of those occupying it, and/or made immaterial cost impacts.

REVENUES

\$550,000	2020 Borrowing - Notes COMPLETE
\$450,000	2021 Borrowing - Notes COMPLETE
\$14,000,000	2021 Borrowing - Bonds COMPLETE
\$22,000	Focus on Energy Incentives PENDING
\$4,500,000	2022 Borrowing - Bonds PENDING NEXT YEAR
\$10,000	Interest Income PROJECT DURATION
\$19,532,000	Total Project Revenues

More than 75% of the revenue has been secured for the project thus far. The large remaining portion to be borrowed next year is a bond to reconcile all remaining project costs against money we already have. The number shown at \$4.5 million is the maximum presently authorized by the board to be used to reconcile the need for additional revenue against final costs.

FINANCING OPTIONS

We still need to make up for the cost overage. There are two options to consider to do so:

1. Additional Borrowing - We are currently planning and authorized to borrow \$4.5 million in 2022 to reconcile these remaining costs. This amount could be increased by \$2.166 million to make up the difference in what's needed for the project. Borrowing additional



funds is a simple process. A new authorization resolution would be presented to increase the project threshold for bond purposes at a future Village Board meeting. Then in the Spring of 2022 we'll issue our borrowing as we normally do for the larger amount. This option would allow us to continue to pursue the current level of funding for all other projects in the Capital Improvement Plan.

2. Hybrid Approach - Some amount of additional borrowed funds will be needed to move this project forward. However, we could look at two additional funding approaches to help offset the overage. We can adjust future years of the CIP to delay or remove other projects which will divert those borrowed funds to this project and keep the bottom line flat. Additionally we can consider using fund balance from the General Fund to offset the need for additional borrowed money. Our reserves are around \$3 million and well in excess of advisable policy thresholds. One approach could be to apply equal shares to all three options meaning \$750,000 in new debt service, \$750,000 from existing debt service meant from other projects, and \$750,000 from fund balance to make up the difference. It could include other levels of funding as well.

VILLAGE PLAN REFERENCE:

[Please click on this link to the webpage](#) which contains the historical plan information on the project.

ORDINANCE REFERENCE:

Section 23-95 - Responsible Bidder Ordinance

All contractors and subcontractors were required to submit their affidavits of compliance with the terms of this ordinance that was created earlier this Summer. Village Staff with assistance from the Architect and Owners Representative reviewed each submittal in order to confirm their compliance. The recommended contractor and all subcontractors were found to be in compliance with these requirements.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

Recommended action:

Motion and second to award contract to JP Cullen of Janesville in an amount of \$18,507,699 including the base bid plus alternates A-1, A-2, A-4, A-8, and A-9, project contingency, other listed costs, and approving the total costs for the project in an amount of \$21,698,000.

ATTACHMENTS:

1. Public Safety Center Bidding Memo
2. Contractor Bid Results. McFarland PSC 8.13.2021

To: Village of McFarland
From: Huffman Facility Development, Inc.
Date: 8/13/2021
Re: Public Safety Center Bidding

We are writing to follow up regarding the bidding for the Public Safety Center. We received seven bids from General Contractors, most of whom we have direct experience with. Our target budget for construction was \$16.3M, and after reviewing the bids and deciding on the twelve alternates as a project team, our low bidder is JP Cullen at \$18.6M.

As you are aware, project pricing over budget is not uncommon in the current market. Several things to note on this project:

1. Bid coverage was surprisingly good with 7 general contractors with a tight cluster of bids (with accepted alternates) ranging from \$18.5 - 19.4M with one semi-outlier at \$20M.
2. Normal escalation for the construction price index is 3-4%. In this year's market escalation has ranged approximately from 12-16% in only eight months.
3. The project as originally contemplated was not Net-Zero. Our best guess on added cost for this is \$1-1.5M.
4. We've already worked to select several of our cost saving alternates, eliminating \$275,000.

As we look at options for the Village, here are the considerations:

1. Proceed with awarding the low bidder: Proceeding with JP Cullen would not preclude the Village from working with them to identify if there are any other areas for cost savings previously overlooked. Between eliminating the PV array and working with the contractor to identify other cost savings, we believe upwards of \$1M could be eliminated from the project without impacting program. One final note: JP Cullen's bid had no advantage for changing the timeline.
2. Table the project and rebid spring 2022: One of the issues here is that there is no guarantee pricing gets any better, and there is a chance it could worsen in that timeframe.
3. Revise the plans to eliminate a portion of the project: The project team has rigorously considered value engineering and scope elimination already and has reduced that exercise down to the twelve alternates included in the current bid. The only three options remaining for significantly reducing cost are:
 1. Downsizing the building, which all agree is a nonstarter as it defeats the purpose of building the project.
 2. Remove the Net Zero design components, which would require several months of redesign/bidding and would be backtracking on the direction previously decided upon by the Village.
 3. Eliminate the PV array, which would require very little redesign and would not delay the project. This option can of course be selected after the bid is awarded to the low bidder as well.

4. Rebid the project as a negotiated cost-plus project: In this scenario, GCs would bid on just GCs, Overhead and Fee and would solicit subcontractor bids after award. Considering the tight variance of the seven bidders, this option would likely not yield significant savings. Additionally, this option would leave bidders put-off, would require some PR for residents and would delay the project a couple of months.

Recognizing both the uncertainty of further escalation as well as the impossibility of eliminating portions of the design without significant detrimental impact to the project, we recommend option 1 above; proceeding to award the low-bidder and thereafter to decide on how to approach any cost savings with the contractor.

McFarland Public Safety Center- Contractor Bid Results

8/13/2021

Contractor	Base Bid	G1 (Schedule)	Proposed Start Date	Proposed Substantial Completion	Alt1 (Floor Coloring)	Alt 2 (Clear Story @ Apparatus Bays	Alt 3 (Generator Roof)	Alt 4 (Rooftop Pavers)	Alt 5 (Lobby Display Case)	Alt 6 (Metal Ceiling at PD)	Alt 7 (Metal Ceiling at Court/Training Room)	Alt 8 (Metal Ceiling Alternate Layout-Lobby)	Alt 9 (Skylights at PD)	H1 (Remove Bi-polar ionization)	H2 (Provide UV)
CD Smith	\$ 19,424,837.00	\$ (100,000.00)	3/1/2022	3/1/2023	\$ (30,000.00)	\$ (15,000.00)	\$ (28,000.00)	\$ (6,500.00)	\$ (33,000.00)	\$ (24,000.00)	\$ (6,000.00)	\$ (12,000.00)	\$ (228,000.00)	\$ (25,000.00)	\$ 31,000.00
JP Cullen	\$ 18,782,943.00	\$ -	9/13/2021	12/2/2022	\$ (32,452.00)	\$ (28,235.00)	\$ (16,818.00)	\$ (21,105.00)	\$ (5,893.00)	\$ (23,115.00)	\$ (6,332.00)	\$ (12,060.00)	\$ (181,392.00)	\$ (40,763.00)	\$ 38,813.00
Miron	\$ 19,273,179.00	\$ -			\$ (25,950.00)	\$ (23,970.00)	\$ (31,340.00)	\$ (6,400.00)	\$ (16,240.00)	\$ (23,850.00)	\$ (5,800.00)	\$ (12,440.00)	\$ (179,890.00)	\$ (42,000.00)	\$ 38,920.00
Joe Daniels	\$ 20,172,100.00	\$ 50,806.00	10/1/2021	2/1/2023	\$ (40,096.00)	\$ 4,000.00	\$ 45,000.00	\$ (6,180.00)	\$ (28,870.00)	\$ (23,200.00)	\$ (6,000.00)	\$ (12,000.00)	\$ (90,000.00)	\$ (25,400.00)	\$ 5,000.00
Corporate Contractors	\$ 19,470,000.00	\$ (169,000.00)	3/15/2022	3/30/2023	\$ -	\$ 67,400.00	\$ 4,700.00	\$ 4,575.00	\$ (8,700.00)	\$ (45,640.00)	\$ (4,200.00)	\$ 1,300.00	\$ (102,000.00)	\$ (16,803.00)	\$ 30,000.00
Ideal Builders	\$ 19,050,832.00	\$ -			\$ (15,500.00)	\$ (10,000.00)	\$ 8,400.00	\$ 11,450.00	\$ 26,060.00	\$ (23,200.00)	\$ (6,000.00)	\$ (12,100.00)	\$ (144,900.00)	\$ (49,500.00)	\$ (12,600.00)
Vogel Brothers	\$ 19,088,000.00	\$ -	9/13/2021	12/1/2022	\$ (32,000.00)	\$ (5,000.00)	\$ (21,400.00)	\$ (6,200.00)	\$ (11,000.00)	\$ (21,700.00)	\$ (6,400.00)	\$ (11,400.00)	\$ (140,000.00)	\$ (25,000.00)	\$ (5,200.00)