

Memorandum



To: Dale Berman, Village President & Board of Trustees
Cc: Steven Bosco, Village Administrator
From: John Laskowski, Public Works Director
Date: May 10, 2020
Re: Consideration of Bids for the Silo Restoration and Illumination Project

In July of 2019, bids were initially received for the Silo Restoration and Illumination Project. At that time the low bid was \$588,000, which was higher than the budgeted amount and the Village Board chose to reject all bids. The Board still expressed interest in the project and staff explained to the Board they could explore alternative project delivery processes to reduce the overall cost of the project.

In October 2019, the Village Board agreed to engage in the design-build project delivery process with R.C. Wegman for the illumination of the silo. During the last few months, this process involved R.C. Wegman working directly with the architects, engineers, and contractors to recommend design changes that ultimately eliminated ambiguity with the intention to reduce the overall project cost. After R.C. Wegman clarified the project scope they began soliciting prices from contractors to develop a project budget.

On April 2, 2020, at the first Committee of the Whole meeting held virtually, staff presented the budget developed by R.C. Wegman. Staff explained the budget for the project is \$539,619, which was later revised to \$548,294 due to a revision associated with the painting package, which includes \$44,000 for construction management. Taking into account the revised budget, this was an estimated cost savings of \$83,706 and \$39,706 when Construction Management is added from the first bid. At the end of this meeting the Board indicated they would like to move ahead to the next phase of the project, which was soliciting bids. This phase would determine the actual costs of the project, which could then be compared to the budgeted figure. At the conclusion of this phase the Village Board would be presented with a contract for the project that includes the costs for a Construction Manager and the bids for the construction categories as selected by the Village Board.

Construction Manager

The initial bid for the silo project did not include a Construction Manager. The silo project is now on the final phase of the project, which would be formally identifying and approving a Construction Manager at a cost of \$44,000. This would include having a superintendent on site to best coordinate the project and various contractors and to note all bidders will be subcontractors to the Construction Manager. Attached is a contract making R.C. Wegman the Construction Manager. The Board could choose not to proceed with using R.C. Wegman, however, if a process was conducted to select a Construction Manager there is a strong possibility that R.C. Wegman would come back as the most qualified firm due to their knowledge of the project. The additional process would also add a time delay of about two-months.

Bids

The next component of the contract would be to assess the bids submitted in each construction category and then select a contractor from each. On May 5, the Village received bids for the project. Bids were received in 5 separate bid categories. Typically the lowest of each category is selected to determine the overall construction costs, however, the Board can choose to accept or reject any combination of the bids submitted. The categories in which bids were solicited were: Demolition, Structural Steel, Roofing, Painting, and Electrical.

After reviewing the bid tabulations, only one bid was received in two of the five categories: Demolition and Roofing / Sheet Metal. Each bid category is reviewed individually below.

Demolition

Alpine Demolition Services 3515 Stern Avenue St. Charles IL 60174	R.C. Wegman Estimated Budget
\$37,815	\$26,800

Only one bid received was received in the demolition category and it was from Alpine Construction. There may be a few reasons why only one bid was received in this category. One reason could be is due to the nature of the work. A demolition that is taking place at the top of the silo in confined space is a more specialized task than the simple demolition of a house or building. The specialized nature of the work could have limited the qualified bidders. It is also possible that the timing of the bid could have reduced the number of bidders because contractors already had projects scheduled. On May 8, 2020, R.C. Wegman met with Alpine to confirm that they

understood the scope of the demolition work and the project schedule. Staff and R.C. Wegman have experience working with Alpine and believe that they have the ability o professionally complete the project. The Construction Manager originally had estimated the budget for this task to be \$26,800. Alpine’s bid is \$37,815, which is \$11,015 higher than the estimate. However, given the above considerations, staff and the Construction Manager believe this is a reasonable price.

Structural Steel

McKinney Steel & Sales, Inc 813 29th Street Zion, IL 60099	O'Malley Welding & Fabricating 1209 Badger Street Yorkville, IL 60560	S.G. Krauss Company 220 Stanley Street Elk Grove Village, IL 60007	R.C. Wegman Estimated Budget
\$37,857	\$65,620	\$85,000	\$62,325

In the Structural Steel category, the Construction Manager’s estimated budget figure was \$62,325. Three bids were received and the lowest was received from McKinney Steel and Sales Inc. in the amount of \$37,857. This was \$24,468 lower than the original budget estimate. Staff and the Construction Manager believe this is a reasonable price for this bid category. The Construction Manager has met with the contractor on May 8 to confirm they have an understanding of the project, including product information, items that may have long lead times and the overall project schedule. R.C. Wegman has worked with McKinney Steel and Sales in the past and had successful results.

Roofing and Sheet Metal

	Anthony Roofing Tecta America 2555 White Oak Circle Aurora, IL 60502	R.C. Wegman Estimated Budget
Base Bid	\$29,850	\$27,760
Alternate	\$28,850	N/A

Only one bid was received in the Roofing and Sheet Metal category. Similar to the bid for Demolition, the complexity of the work and the current industry workload are factors that could have contributed to a lack of bids. The bid received from Anthony Roofing is in the amount of \$29,850, which is \$2,090 higher than the Construction

Manager’s revised budget estimate of \$27,760. This price is a 7.5% increase in price and considered reasonable in comparison to the estimated budget. The Construction Manager has met with the contractor on May 7 to confirm they have an understanding of the project schedule, items with long lead times, and product information. In their bid Anthony Roofing offered an alternate price for the project. This price was to change the roof material. R.C. Wegman brought the requested change to M2 the project architect. The conclusion was that the roof could be constructed with an alternate material to reduce the cost. Thus the total bid price was reduced by \$1,000. R.C. Wegman has worked with Anthony Roofing in the past and had successful results.

Painting

Oosterbaan & Sons Co. 2515 W. 147th St. Posen, IL 60469	Nedrow Decorating 1019 Sill Avenue Aurora, IL 60506	Pro-Nova LLC Contracting 180 Poplar Place, Suite A North Aurora, IL 60542	R.C. Wegman Estimated Budget
\$47,300	\$78,500	\$108,900	\$104,550

Three bids were received for the Painting category. The low bid for this category was submitted by Oosterbaan & Sons Co. in the amount of \$47,300. The original budget estimate was \$104,550. This category produced the greatest project cost saving in the amount of \$57,250. This is a substantial cost savings and it is speculated that it is due to the fact the cost of the lift rentals to perform the work has been removed from the scope of this contract. Instead of having each contractor rent a lift separately, the Village would cover the cost of the rental, eliminating the cost from each bid package. The substantial reduction in cost of this activity is attributed to this cost savings measure implemented by the Construction Manager. The Construction Manager met with the contractor on May 7 to confirm they have an understanding of the project including the project schedule and product information.

Electrical

	Frank Marshall Electric 1043 Oliver Avenue Aurora, IL 60506	Volt Electric Inc. 9S500 Bushnell Road	Kellenberger Electric Inc. 1540
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		Big Rock, IL 60511	Fleetwood Drive Elgin, IL 60123
Base Bid	\$147,000	\$147,290	\$162,950
Alternate	\$10,700	\$9,587	\$16,100
Total	\$157,700	\$156,877	\$179,050

Electrical (continued)

	AWF Inc P.O. Box 12168 Aurora, IL 60507	R.C. Wegman Estimated Budget
Base Bid	\$179,950	\$147,947
Alternate	\$13,800	\$9,587
Total	\$193,750	\$157,534

Four bids were received for the Electrical category. The estimated budget cost for the electrical work was \$147,947 with an alternate for up-lighting in the amount of \$9,587, bringing the total potential electrical cost to \$157,534. At the April 6 Committee of the Whole meeting, the Board gave direction to pursue the alternate up-lighting. The lowest total bid, which includes the alternate for the electrical work, was provided by Volt electric in the amount of \$156,877. R.C. Wegman has worked with Volt Electric in the past. Volt has provided some good insight into the electrical work for the silo project. The Construction Manager met with both Frank Marshall Electric and Volt Electric Inc. separately on May 8 to confirm they have an understanding of the project including product information, items with long lead times, and the project schedule.

Conclusion

If the Village Board were to approve the contract with R.C. Wegman and approve the bids presented, the project would be funded through the Route 31 Tax Increment Financing (TIF) District. This funding by law can only be issued for certain purposes, such as infrastructure and beautification projects within a finite geographic area. Since this project is funded through the TIF, there are no anticipated financial impacts on the general operating or capital projects funds.

The contract being presented for consideration by the Village Board is with Construction Manager R.C. Wegman and includes all the components necessary to complete the project including the alternate up-lighting. The contracts for each of the five construction categories are included in this contract as subcontractors to R.C.

Wegman. The construction management, including the supervision of all of the subcontractors, as well as the installation of a door and the bottom of the silo, and the lift rental, will be performed or coordinated by R.C. Wegman. If the Village Board chooses to approve this contract as presented it would be in the total amount of \$463,425. This is a cost savings of \$124,375 from the 2019 bid while also including construction management.