Resolution 2016-335

Resolution Awarding a Construction Contract to Morcon Construction Company, Inc., in the Amount of $5,664,000.00 for Phillips Community Center Aquatics Facility Project Per O.P. No. 8352, Pending Approval by City of Minneapolis Purchasing & Procurement and Civil Rights Departments and Authorizing Administrative Use of an 8% Construction Contingency Up to $453,120.00 for Necessary Construction Change Orders that May Arise with the Contract

Whereas, The Minneapolis Park & Recreation Board (MPRB) is authorized to contract with public and private entities in the performance of its functions;

Whereas, The MPRB is the owner of the Phillips Community Center (PCC) at 2323 11th Avenue South, Minneapolis, which includes a six-lane indoor competitive pool that has been unused for several years;

Whereas, Funding supporting improvements to the PCC Aquatics facility been secured through the State of Minnesota, a Hennepin Youth Sports Program grant, MPRB matching funds, the Minneapolis Public Schools, Commissioner Districts 3 and 6 contingency funds, reallocation of Capital Levy funds, and general fund reserves;

Whereas, Additional funding through pledges has been obtained through the efforts of Minneapolis Swims, a non-profit group aimed at equity and access for swimming opportunities in the city of Minneapolis;

Whereas, The Board of Commissioners previously approved a concept design for the renovation of the existing six-lane pool and related spaces at the PCC as well as an addition comprised of a four-lane teaching pool and related support spaces;

Whereas, The Board of Commissioners approved a professional services agreement with Studio Five Architects (now JLG Architects) for the preparation of final design and construction documents for the PCC Aquatics facility project;

Whereas, The MPRB publicly solicited and received six bids on October 13, 2016, O.P. No. 8352, for the Phillips Community Center Aquatics Facility Project;

Whereas, The bids have been reviewed and tabulated with the apparent low bid being submitted by Morcon Construction Company, Inc., in the amount of $5,664,000.00, which includes a base bid in the amount of $5,044,000 plus Alternate 1 to construct site improvements in the amount of $485,000 and Alternate 4 to construct an entrance canopy and signage in the amount of $135,000;

Whereas, MPRB staff and consultants have reviewed the bid offered by Morcon Construction Company, Inc. and find it to be complete and correct and find further that the bidder's prior experience and qualifications support an award of a construction contract for the Phillips Community Center Aquatics facility project;

Whereas, The bid offered by Morcon Construction Company, Inc. is under review by Minneapolis Departments of Purchasing and Procurement and Civil Rights for approval;

Whereas, To accomplish the improvements for the Phillips Community Center Aquatics facility project, additional funds are required;

Whereas, Staff has determined that additional funding can be directed to the project through NPP20 Replace and Invest Contingency funds and NPP20 Rehabilitation Funds, with those funds being allocated in each of four years beginning in 2017; and

Whereas, This resolution is supported by the MPRB 2007-2020 Comprehensive Plan, which envisions "Recreation that inspires personal growth, healthy lifestyles, and a sense of community;"

RESOLVED, That the Board of Commissioners award a construction contract to Morcon Construction Company, Inc., in the amount of $5,664,000.00 for the Phillips Community Aquatics facility project, per O.P. No. 8352, pending approval by City of Minneapolis Purchasing & Procurement and Civil Rights Departments, and authorize administrative use of a 8% construction contingency up to $453,120.00 for necessary construction change orders that may arise with the contract; and

RESOLVED, That the President of the Board and Secretary to the Board are authorized to take all necessary administrative actions to implement this resolution.

TO: Administration & Finance Committee

FROM: Michael Schroeder,

DATE: November 30, 2016

SUBJECT: Resolution Awarding a Construction Contract to Morcon Construction Company, Inc., in the Amount of $5,664,000.00 for Phillips Community Center Aquatics Facility Project Per O.P. No. 8352, Pending Approval by City of Minneapolis Purchasing & Procurement and Civil Rights Departments and Authorizing Administrative Use of an 8% Construction Contingency Up to $453,120.00 for Necessary Construction Change Orders that May Arise with the Contract

BACKGROUND

This Board action considers a construction contract with Morcon Construction Company, Inc., in the amount of $5,664,000.00 for the Phillips Community Center Aquatics Facility Project per O.P. No. 8352, pending approval by City of Minneapolis Purchasing & Procurement and Civil Rights Departments. In addition, this Board action authorizes administrative use of an 8% construction contingency up to $453,120.00 for necessary construction change orders that may arise with the contract.

On October 13, 2016, the Minneapolis Park & Recreation Board publicly solicited bids and received six bids for the project. The apparent low bidder was submitted by Morcon Construction Company, Inc. This resolution accepts the low base bid and two alternates as submitted by Morcon Construction Company, Inc., for a total contract amount of $5,644,000.00. The base bid amount as offered by Morcon is $5,044,000 plus the following alternates:

- Alternate 1 to construct site improvements in the amount of $485,000; and
- Alternate 4 to construct an entrance canopy and signage in the amount of $135,000.

The project's architectural consultant recommends that a contract for construction of the improvements for the Phillips Community Center Aquatics Facility Project be awarded to Morcon Construction Company, Inc. based on the company's bid and its experience in this type and scale of construction. The bid offered by Morcon Construction Company, Inc. is being reviewed by the City of Minneapolis Civil Rights and Purchasing & Procurement Departments to determine that all requirements for award of a contract are met. Pending all necessary approvals and contract execution, construction will commence in 2017.

The proposed Phillips Community Aquatics Facility Project construction contract includes:

- Renovation of the existing 6-lane pool and spectator area;

- Addition of a 4-lane teaching pool with associated family lockers rooms, a community room, public restrooms, and staff support areas;
- New check in desk dedicated to aquatics;
- Entrance canopy and signage; and
- Site work including an expanded parking lot, stormwater management best management practices, parking lot reconfigurations, and landscaping.

While the proposed construction contract accomplishes the intentions of the state bonding and other project funders, several items are not included in the project due to insufficient funding, including:

- Reconfiguration of the existing locker room entrances and refreshing interior finishes;
- Relocation of the fitness center adjacent to the aquatics facilities; and
- Relocation of the teen center to an area near the front entry to the building.

Because the 2012 State Bond funding of $1.75 million is required by the terms of the agreement to be encumbered by December 31, 2016, staff requests the Board of Commissioners review these change orders at the Administration and Finance Committee and full Board of Commissioners meeting on November 30, 2016 in order to have sufficient time to fully execute the contract for construction.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan.

FUNDING / COST SUMMARY

Sources	**$7,291,000**
Minneapolis Swims	$5,000
East Phillips Neighborhood NRP	$25,000
2012 State Bonding	$1,750,000
Hennepin Youth Sports Program Grant (HYSPG)	$325,000
HYSPG MPRB match (2013 CIP)	$45,000
Minneapolis Public Schools	$1,750,000
General Fund Reserves	$100,000
2014 District 3 Contingency Funds	$100,000
2014 District 6 Contingency Funds	$20,000
2016 CIP Luxton Park – Transfer	$252,000
2016 CIP Matthews Park – Transfer	$189,000
NPP20 Capital Funds (2017)	$725,000
NPP20 Capital Fund Contingency (2017, 2018, 2019, 2020) (four years at $260,000 per year)	$1,040,000

NPP20 Rehabilitation Funds (2017, 2018, 2019, 2020) (four years at $70,000 per year)	$280,000	
Other Pledged Capital Funding - (MPLS Swims)	$685,000	
Uses		**$7,290,633**
PSA(s) for USAquatics, JLG Architects, building commissioning consultant (required under B3)	$801,450	
MPRB project management (1.5% of project budget)	$89,500	
Testing and survey	$38,327	
Site preparation, MPRB construction costs, furnishings, fixtures, and equipment	$237,244	
Other administrative costs	$6,992	
Construction Agreement with Morcon Construction (base bid amount plus Alternates 1 and 4)	*$5,664,000*	*Pending Board Approval*
Project Contingency (8% of project budget)	*$453,120*	*Pending Board Approval*
Balance		**$367**

Funding supporting the construction contract includes several items necessary to allow for construction of the improvements as planned:

- Because the project utilizes 2017 NPP20 funds, staff recommends that contingency allocated as part of NPP20 Replace and Invest Contingency Fund be directed to the project for four years at $260,000 per year for a total allocation of $1,040,000; and
- Because the project involves rehabilitation of several aspects of an existing MPRB facility, including mechanical systems, parking area paving, interior upgrades, and security improvements, as well as ADA improvements, staff recommends that NPP20 Rehabilitation Funds be directed to the project for four years at $70,000 per year for a total allocation of $280,000.

In the event the 8% project contingency is not needed (in whole or in part) to support the improvements, unused contingency will be reallocated in the following order:

- Reallocation of funding to NPP20 Replace and Invest Contingency Fund; and
- Reallocation of funding to NPP20 Rehabilitation Funds.

The need for additional funding beyond the amount identified upon approval of the schematic design can be attributed to a combination of the following reasons:

- Increased HVAC, electrical, and pool mechanical systems costs due to sustainability requirements (B3) required by the state funding not accounted for in early cost estimates;

- Additional city requirements encountered during plan reviews including on-site stormwater management, realigning the parking lot entrance with 12th Avenue South, parking lot screening, site landscaping, and a more prominent and identifiable building entrance;
- Code requirements to add fire suppression systems in remodeled areas (sprinklers) and additional toilet facilities due to increased occupancy; and
- Escalation in labor and material costs from the date of preparation of early estimates.

RECOMMENDATION

Staff recommends that the Board of Commissioners award the construction contract to Morcon Construction Company, Inc., in the amount of $5,664,000.00 for the Phillips Community Aquatics Facility Project per O.P. No. 8352, pending approval by City of Minneapolis Purchasing & Procurement and Civil Rights Departments, authorize administrative use of a 8% construction contingency up to $453,120.00 for necessary construction change orders that may arise with the contract.

This action is supported by the following vision and goal statements in the MPRB 2007-2020 Comprehensive Plan.

Vision Theme 2	Recreation that inspires personal growth, healthy lifestyles, and a sense of community.
Goal:	Residents, visitors, and workers enjoy opportunities to improve health and fitness.
Goal:	People connect through parks and recreation

ATTACHMENTS:

- OP 8352-10132016104906 (PDF)
- Phillips award recommendation letter 11-21-2016 (PDF)

Prepared By: Dana Murdoch,, Design and Project Management
Review:
Cindy Anderson Completed 11/19/2016 9:45 PM
Cliff Swenson Completed 11/20/2016 7:06 AM
Michael Schroeder Completed 11/20/2016 10:31 AM
Jayne Miller Completed 11/21/2016 12:37 PM
Administration & Finance Committee Pending 11/30/2016 5:10 PM