

A special meeting of the City Commission was held in the Commission Room of the City-County building, 325 Court Street, Sault Ste. Marie, Michigan on Wednesday, January 13, 2010 at 12:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer, Burton, Lynn, Gerrie, Munsell and Stefanski

Absent: None

Also Present: Finance Director John Boger, City Engineer David Strickland, City Attorney Cannello, and City Clerk Robin R. Troyer

AWARD OF BIDS FOR THE CONSTRUCTION OF A New City HALL AT THE FEDERAL BUILDING LOCATION:

On Tuesday, December 29<sup>th</sup>, bids for 17 components of the reconstruction of the Federal Building were received and tallied by the City of Sault Ste. Marie and DeVere Construction working as the City's Construction Manager. Based on a review of the bids and in providing an allowance for the earthwork and landscaping, for which no bids were received, the total bids came under the engineer's estimate for the work for this building.

DeVere Construction in conjunction with Wilcox Professional Services scheduled meetings with the low bidders in each category and some of the second low bidders in each category to review the project with each bidder to determine whether each bidder has understood the specifications provided a responsive bid to complete the work that would be required of them under this contract. In three cases there are potential problems with the low bids. Since there were no bids for earthwork for the project, a budget estimate has been plugged in for this work and the second low bids have been incorporated to develop a preliminary budget for the total bid awards. With these additional allowances, the preliminary budget as of Wednesday, January 6<sup>th</sup> for construction is \$3,074,590. That amount is under the estimate of \$3.1 million that was provided to the City Commission at their meeting of November 16, 2009.

Five deductive alternates were incorporated in the bidding process. One of the deductive alternates was deleted, since the deductive alternate became Addendum No. 4 and became part of the regular bid. One deductive alternate would eliminate the screen wall that was on the north side of the building to screen and protect the generator, electric transformer, and air conditioning units for this building. Instead of using a concrete floor and masonry walls, the walls and concrete would be deleted and replaced with a vegetative screening, concrete pads for the equipment, and an aggregate base. The savings on this alternate were \$11,400; however, the City would be responsible for the purchase, installation, and maintenance of the landscaping items for screening these units. It is administrations recommendation that this alternate not

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be utilized by the City Commission.

Alternate No. 3 deleted the various work benches in the IT room and traffic signal room, where computers and equipment would be both mounted and worked on. Instead, the City would utilize desks and other portable structures in this area. The savings by deleting the work stations was \$3,600. Again, it is not administrations recommendation that the work stations be deleted from this area for the relatively small deductive alternate.

Deductive Alternate No. 4 would replace a factory installed control system for the heating system with a custom unit. No savings resulted from this deduct, and administration does not recommend that this change be made.

Alternate No. 5 would delete the window replacements on the first floor and the basement. This would result in a significant savings of \$104,182. The down side to this deductive alternate is that single pane; energy inefficient windows would remain in these locations following the renovation of the building. There will be energy savings in terms of both heating and cooling, and certainly an increase in comfort if these windows are replaced with thermopane windows as the second and third story windows were replaced previously. It was indicated by DeVere that the cost of replacing these windows at a later point would probably be significantly higher, since some of the renovation work would have to be redone as it relates to the windows. This is certainly an option the City Commission could consider although it is not recommended by the City Manager or staff. The combination of higher utility bills during that time period and a significantly higher installation cost makes a good argument for accomplishing this work at this time.

Administration participated in a conference call with Baird & Associates regarding the sizing of the bond issue for this project. A number of factors are in the bonding issue, including the construction costs, design engineering costs, other project costs including the relocation of the River of History Museum, and construction management costs (see summary provided by City Engineer). The City has sized the bonding for the renovation of the Federal Building at \$4 million. This does factor in the sale of the City's interest in the current City-County Building at \$750,000. Based on the City's initial intent, the City has the authority to bond for up to \$4.5 million dollars for this project. It is administrations intent to utilize Build America Bonds, which should provide a very attractive interest rate for financing this bond issue.

Moved by Commissioner Munsell, supported by Commissioner Stefanski

That the City Commission address bids for 02A, 05A, and 09B at a future meeting of the City Commission.

Carried: Yeas: Mayor Bosbous, Commission Bauer, Burton, Gerrie, Lynn, Munsell, and Stefanski  
Nays: None

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Moved by Commissioner Munsell, supported by Commissioner Lynn

That the City Commission award 14 of the 17 categories of construction listed in the City Manager and City Engineer report as modified by the rejection of the 5 bid alternatives, City Commission authorized Devere Construction to enter into the 14 sub contracts subject to the contingency of financing through the proposed bond sale completion.

Carried: Yeas: Commissioner Bauer, Burton, Gerrie, Lynn, Munsell,  
Stefanski, and Mayor Bosbous

Nays: None

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 12:40 p.m.

Motion carried unanimously.

**ANTHONY G. BOSBOUS, MAYOR**

**ROBIN R. TROYER, CITY CLERK**

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