



**Request for City Council Committee Action
From the Departments of Public Works and Procurement**

Date: March 18th, 2014
To: Honorable Kevin Reich, Chair Transportation & Public Works Committee
Referral to: Honorable John Quincy, Chair Ways and Means Committee
Subject: **Approval of Official Publication No. 7872 Bids for Construction of Sidewalks, Curb, Alley and Drive Approaches**

Recommendation:

Acceptance of the low responsive bid of Shafer Contracting Company, Inc. for an estimated annual expenditure of \$3,004,000.00 to furnish and deliver all labor, materials, equipment and Incidentals necessary to complete the construction of sidewalks, curb, alley and drive approaches in 2014 for the Public Works Paving Division, all in accordance with the attached pricing schedule:

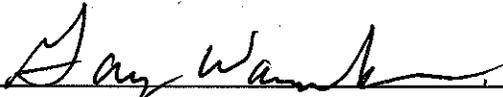
The apparent low bid did not meet the Small and Underutilized Business requirements (SUBP). Please refer to the enclosed staff memo.

Terms are net-30 days F.O.B.: Destination

Further recommend proper Officers be authorized and directed to execute a contract for this project, all in accordance with our specifications.

This has been approved by the Civil Rights Department

Prepared by: Gary Warnberg Director, Purchasing



Approved by: Steven A. Kotke, P.E. Director, Public Works

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): Action is within Budget
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

Tabulation of five (5) bids received on Official Publication No. 7872 Bids for Construction of Sidewalks, Curb, Alley and Drive Approaches.

Attachments - Staff Memo
Tabulation Sheet

cc: L. Matsumoto
D. Bauer
R. Crossland
L. Woyee

PRICING SCHEDULE

<u>ITEM</u>	<u>ESTIMATE</u>	<u>UNIT PRICE</u>
<u>PERMIT WORK</u>		
1. Permit Work, 3 ½ inch monolithic concrete sidewalk, replace & remove.	<u>700,000 Sq. Ft.</u>	\$ 3.88/sq. ft.
2. Permit Work, placement of tree grates in the sidewalk area	<u>5 each</u>	\$1,500.00/each
3. Mobilization	<u>10 each</u>	\$ 500.00/each
<u>NON PERMIT WORK:</u>		
4. Non Permit Work, 3 ½ inch monolithic concrete sidewalk, remove & replace, for all miscellaneous locations and for all City projects.	<u>10,000 sq. ft.</u>	\$ 3.60/sq. ft.
5. Non Permit Work, 6 inch monolithic Concrete sidewalk, remove & replace, for all miscellaneous locations and for all City projects.	<u>15,500 sq. ft.</u>	\$ 6.20/sq. ft.
6. Non Permit Work, Remove and replace select B624 curb and gutter in all City Paving project areas.	<u>2,300 lin. ft.</u>	\$ 28.00/lin.
7. Non Permit Work, tree grates placed in the sidewalk area when working in a City paving project or sidewalk repair area.	<u>10 each</u>	\$1,500.00/each
8. Non Permit Work, street intersection Corner ADA ramp tiles, approved Iron tile, per square foot	<u>1,600 sq. ft.</u>	\$ 90.00/sq. ft.

TOTAL BID AMOUNT \$3,004,000.00

December 20, 2013

Sent via email



Department of Civil Rights

Velma J. Korbel
Director

350 South 5th Street - Room 239
Minneapolis MN 55415-1314

Office 612 673-3012
Fax 612 673-2599
TTY 612 673-2157

Concrete Idea, Inc.
Trevor Gunderson
13961 44th Lane
St. Michael, MN 554376

RE: Good Faith Efforts Review

Dear Mr. Gunderson:

The Minneapolis Department of Civil Rights (MDCR) has concluded its pre-award compliance review of your bid for the Small Underutilized Business Enterprise Program (SUBP) for Official Publication No. 7872 – Bids for Construction of Concrete Sidewalk, Curb, Alley and Drive Approaches. I regret to inform you that MDCR will not recommend Concrete Idea, Inc. (CI) for selection on this project.

Minneapolis Code of Ordinances Chapter 423 requires that bidders “make every necessary and reasonable effort to subcontract work to MBEs/WBEs in advance of the dates specified for submitting and opening of bids.” Bidders not meeting the SUBP goals must demonstrate their good faith efforts (GFE) and MDCR “shall determine if a business has made adequate good faith efforts. If a bidder or proposer fails to meet the project goals and does not demonstrate good faith efforts, the bid will be rejected and the bidder shall not be awarded the contract.” These requirements for this project were outlined in the call for bids. These same requirements were also presented and discussed by MDCR staff at the pre-bid meeting held on November 7, 2013 with CI in attendance.

The SUBP goals established for this project are 2% MBE and 2% WBE. CI’s SUBP form listed 2% MBE and 2% WBE, but neither goal could be verified by MDCR because CI did not obtain bids from the subcontractors. Therefore, the goals were not met and MDCR conducted a GFE review.

After careful examination of all the requested and submitted documentation, MDCR has determined that CI did not make a good faith effort to contract with MBEs and WBEs as in accordance with Chapter 423.90(g). MDCR’s decision was based on the following:

1. CI listed Crystal Welding to perform welding, however, Crystal Welding confirmed that CI never solicited their bid and they never bid the project. Also, welding was not a subcontracting opportunity on this project as confirmed by CI and Larry Matsumoto (Public Works Department contact). Therefore, Crystal Welding cannot be counted towards meeting the goal and listing them to meet the goals without soliciting or receiving their bid is not negotiating in good faith.
2. There were 6 subcontracting opportunities identified for this project: trucking, supplies, concrete removal, concrete placement, saw cutting, and restoration. CI only solicited 5 MBEs/WBEs (in the area of supplies and saw cutting). This is an insufficient attempt to include enough MBEs/WBEs in the bidding process.
3. CI did not select portions of the work to be performed by MBEs/WBEs to increase the likelihood of achieving the project goals. CI opted to self-perform 4 out of 6 subcontracting opportunities and therefore did not solicit MBEs/WBEs in those scopes. Alternatively, CI did not break out contract work into smaller units to facilitate MBE/WBE participation as suggested by the good faith standards.



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4. CI verbally solicited MBEs/WBEs 7 to 10 days prior to bidletting. This is not sufficient amount of time to bid on the project as confirmed by one MBE who stated he would need 2 weeks.
5. The contract amounts listed on the SUBP form appear specifically selected to conform to the goals. Identical contract amounts are applied to MBEs/WBEs in different work areas. MDCR also could not verify the contract amounts as listed on CI's SUBP form because no bids were received. However, MDCR confirmed that Crystal Welding did not submit a bid or that contract amount listed on the form. Such diversion from the standard bidding practices is not negotiating in good faith.

Should you have any questions, please contact Kolu Paye (kolu.paye@minneapolismn.gov) or (612) 673-2086).

Sincerely,



Karen Francois, Director
Contract Compliance Division

cc: Velma Korbel
David Schlueter
Larry Matsumoto
Dan Bauer

Schlueter, David E.

From: Matsumoto, Larry G.
Sent: Wednesday, January 15, 2014 7:50 AM
To: Schlueter, David E.
Cc: Bauer, Dan P.
Subject: Official Publication 7872, Concrete Sidewalk, Curb & Gutter and Driveways recommendation
Attachments: Bid Abstract, final.pdf; 7872 rejection letter.pdf; reconsideration, VK, 1-6-14.pdf; J Olsen Installer card.pdf; Site Mgr & TC Sup Crd.pdf

David

Based on the information provided I recommend that this bid for OP 7872 be awarded to the second lowest bidder Shafer Contracting in the amount of \$3,004,000 dollars. This is due to the none recommendation from Minneapolis Civil Rights to the lowest bidder Concrete Idea, (in the amount of \$2,754,750 dollars).

Also I have included the required submittals and they are in order.

Larry Matsumoto
City of Minneapolis, Public Works
1901 E 26th Street, Minneapolis, MN 55404
larry.matsumoto@minneapolismn.gov
(612)-919-1148

From: Bauer, Dan P.
Sent: Wednesday, January 15, 2014 7:12 AM
To: Matsumoto, Larry G.
Subject: OP 7872 Contract Submittals
Importance: High

Larry,

I have reviewed the submittals for contract OP 7872, Construction of Concrete Sidewalks, Curb, Curb and Gutter, Alleys and Drive Approaches.

Based on the information provided, and based on the fact that the low bidder, Concrete Idea, has been rejected by the City of Minneapolis Civil Rights Department, I therefore recommend that the next low bidder, Shafer Contracting Co., Inc. should be awarded this contract.

Please find the attached submittal files (Traffic Control, Installer, Site Manager), and letters to Shafer, for your records.

The City of Minneapolis Civil Rights Department and Concrete Idea has included you on all emails that include copies of the letters regarding the rejection of Concrete Idea being awarded this contract. If you wish me to forward copies of these emails and the attached letters, please let me know.

Please let me know if there is any further information you require.

Dan Bauer
Supervisor



Purchasing Division - Bid Tabulation Summary

Minneapolis
City of Lakes

Official Publication No. 7872
Bids for Construction of Concrete Sidewalk, Curb, Alley and Drive Approaches
Purchasing Buyer: David Schlueter
Department: P/W - Paving
Department Contact: Larry Matsumoto
Bids Due: 10 AM, Local Time, November 13th, 2013

Vendors: 1. Donlar Construction Company 2. Slater Contracting Co. Inc. 3. Standard Sidewalk Inc. 4. Concrete Idea Inc. 5. Tr-Zack Concrete Inc.

Permit Work:	1	2	3	4	5
	Donlar	Slater Contracting	Standard Sidewalk	Concrete Idea Inc.	Tr-Zack Concrete
	Construction Company	Co. Inc.	Inc.	Inc.	Inc.
700,000 sq ft - Permit Work, 3 1/2" monolithic concrete sidewalk, remove & replace	5.96	3.88	4.16	3.65	5.00
5 each - Permit Work, placement of tree grates in the sidewalk area	1,900.00	1,500.00	20.00	100.00	250.00
3 10 each - Mobilization	2,710.00	500.00	250.00	100.00	250.00
Non Permit Work:					
10,000 sq ft - Non Permit Work, 3 1/2" monolithic concrete sidewalk, remove & replace	5.90	3.60	3.78	3.35	5.00
15,500 sq ft - Non Permit Work, 6" monolithic concrete sidewalk	7.60	6.20	6.00	4.50	6.00
2,300 lin ft - Non Permit Work, remove & replace select 8624 curb & \$/ln ft gutter	34.00	28.00	36.50	20.00	25.00
10 each - Non Permit Work, tree grates placed in sidewalk area	1,900.00	1,500.00	250.00	100.00	250.00
1,600 sq ft - Non Permit Work, street intersection corner ADA ped. Ramps	69.00	40.00	31.25	30.00	38.00
Style & Manufacturer of ADA Truncated dome tile	Neeenah Type H	Neeenah	Neeenah	Neeenah	Neeenah
Total Bid Amount	\$ 4,593,000.00	3,004,000.00	3,483,989.00	2,754,750.00	3,774,300.00
Bidder offers to allow qpbs to be increased up to 100%	Y/N	Yes	No	Yes	No

3,181,850 -
3,967,550 -
DBB

We, the undersigned, hereby certify that the above bids were publicly opened and read aloud:

Cheryl J. Vesterman
For the: Finance Officer

David J. Bell
For the: Assistant Director, Purchasing