



Request for City Council Committee Action from the Department of CPED-Planning

Date: May 25, 2008

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: MSP Noise Mitigation Program-Change in Bidding Procedure for Phase 2

Recommendation:

Approve the change in bid procedures for the 60-62 DNL area from individual quotes to Bulk Bidding and authorize the City Attorney's office to execute the necessary changes for implementation.

Previous Directives:

Consent Decree approved by City Council action and by the Court on October 19, 2007

Prepared by: Merland Otto, Principal Planner

Approved by:

Barb Sporlein, Planning Director

Presenters in Committee: Merland Otto, Principal Planner 612-673-2576
Corey Conover, Asst. City Attorney 612-673-2182

Financial Impact

- No financial impact
Action requires an appropriation increase to the ___ Capital Budget or ___ Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Action is within the Business Plan
- Action requires a change to the Business Plan
- Other financial impact
- Request provided to the Finance Department when provided to the Committee Coordinator

Community Impact

- Neighborhood Notification-MAC is responsible for notification of residents
- City Goals-Consistent with working towards providing a healthy environment
- Comprehensive Plan- Not Applicable
- Zoning Code- Not Applicable

Supporting Information

The October 19, 2007 Consent Decree for MSP Noise Mitigation specifies that homeowners in the 2007 60-62 contours will be responsible for obtaining at least two quotes from contractors approved by MAC. For the 2833 homes in this impact area nearly 5700 contractor quotes would be required. An earlier bulk bid for the mechanical package for these homes has been received and approved by MAC. This package will be for the additional \$4000 per home for additional noise attenuation projects.

MAC has recently asked whether they could bulk bid this aspect of the program as they did with the mechanical and 5 dB package. There are a number of advantages to all parties by consenting to this change.

Homeowners

- Relieves homeowners from the responsibility and time it requires to contact contractors and obtain quotes.

- The schedule for completion has a greater chance to be met.

- They could view products that they would receive in MAC's showroom and thus know exactly what they are getting for products.

- Bulk bidding is more likely to result in lower unit costs than individual bids thus each homeowner is likely to get more value from the program.

MAC

- Reduced administrative costs

- Streamlined learning curve for contractors

- Avoid problem with small contractors who may not be able to get bonds, maintain schedules, do required paperwork

- Greater likelihood that larger contractors will be around to follow through on warranty work if needed

Cities

- Greater likelihood that Consent Decree schedule can be met

- Avoids the possibility that contractors may shift interest to the larger package of \$14,000/home and lose interest in the \$4000/home jobs

- Greater consistency of both products and labor results in a higher overall package for each home and the community as a whole

The major disadvantage appears to be that small contractors would be unlikely to bid this package.

Cc Corey Conover, Asst. City Attorney