

CITY COMMISSION AGENDA MEMO

April 27, 2017

FROM: Christina L'Ecuyer, Grant Administrator
Eric Cattell, AICP, Director of Community Development

MEETING: May 2, 2017

SUBJECT: Award Contract for CDBG Riley County Seniors' Service Center Improvements Project (CD1616) to Remodel the Kitchen

PRESENTER: Eric Cattell, AICP, Director of Community Development

BACKGROUND

On July 1, 2010, the City of Manhattan began participating in the Community Development Block Grant (CDBG) program as an Entitlement City through the U.S. Department of Housing and Urban Development (HUD). The program is guided by HUD national objectives as well as the City of Manhattan's "Amended 2015-2019 Consolidated Plan." This Plan includes objectives and proposed activities to meet community needs. One of the objectives in the Consolidated Plan is to support neighborhood and community facilities that improve the quality of life for Low- and Moderate-Income (LMI) areas and residents.

The CDBG "Amended 2016 Annual Action Plan" includes a budget line item for improvements to the Riley County Seniors' Service Center (Senior Center) as an additional phase of a Master Plan that was developed in 2011 by Bruce McMillan, AIA, Architects, P.A. This activity is consistent with the CDBG National Objective to benefit low income persons, as HUD regards senior citizens as "limited clientele," a group presumed to predominantly be low and moderate income.

DISCUSSION

The Senior Center building is owned by the City of Manhattan and has received \$308,878.41 in CDBG funds in the past that were used for interior and exterior renovations. These renovations were identified in a Master Plan developed by Bruce McMillan AIA Architects P.A. in 2011. The only portion of the building that was not addressed in the Master Plan was the kitchen area.

In spring 2016, the City entered into an agreement with Bruce McMillan to complete a feasibility study that included a proposed design, preliminary equipment lists, and estimated costs to renovate the kitchen to commercial standards. This feasibility study provided a cost estimate of \$278,250, which included \$22,400 for design, engineering, and construction administration; \$184,860 for re-construction of the kitchen; and \$70,990 for equipment updates. Through planning the CDBG 2016 Program Year (PY), available CDBG funds for the kitchen remodeling were estimated at \$125,986.

The Senior Center Board of Directors, recognizing that the CDBG funds for the project were limited, took action to raise \$153,250 in additional funds so that the remodeling could be included in the 2016 Annual Action Plan. The Senior Center was able to secure a Caroline Peine Foundation grant of \$70,990, specifically for kitchen equipment. In addition, a Goldstein Foundation grant of \$76,000, and a Flint Hills Foundation for Older Kansans grant of \$6,260 were secured to help match CDBG funds for design and construction of the kitchen. The total funding secured for this project is \$279,236. In order to utilize the private funds raised by the Senior Center, City Administration has prepared an agreement between the City and the Senior Center that formalizes the use of these private funds, and identifies a cost sharing for potential change orders (*see attached Agreement*).

On November 1, 2016, the City Commission authorized a contract amendment with Bruce McMillan AIA, Architects P.A. to prepare final design and bidding documents, and to provide construction administration for the Senior Center Kitchen improvement Project. Improvements in the kitchen will include installation of new equipment, including new exhaust hood, and associated electrical and plumbing improvements to accommodate the equipment; removal of impediments to efficient workflow; installation of an additional air conditioning unit on the roof and new air ducts inside the kitchen to help rebalance heating and air conditioning systems.

Following the production of plans and specifications, City Administration advertised a public bid in *The Manhattan Mercury*, through the Drexel Plan Room service, and through the “In Touch” Bid Notification system on the City’s website. The Notice to Bidders was also e-mailed to companies certified by the State of Kansas as Minority-Owned Businesses (MBE’s), Women-Owned Businesses (WBE’s), and Disadvantaged Businesses (DBE’s). A non-mandatory pre-bid conference was held at 3 p.m. on April 4, 2017, at the Riley County Senior Center.

A public bid opening was held on April 13, 2017, at 3:00 p.m., at City Hall. The project Base Bid included all construction, electrical and plumbing work, and most of the kitchen equipment, with Bid Alternate No. 1 and Bid Alternate No. 2 for optional kitchen equipment items (i.e. utility carts, dish dolly, mobile steamer). One bid was submitted for this project from R.F. Benchmark, of Manhattan, Kansas, with a Base Bid of \$267,800; Bid Alternate No. 1 of \$2,200; and Bid Alternate No. 2 of \$9,920, for a total bid of \$279,920. The Architect’s Opinion of Probable Cost for the Base Bid is \$278,250, which is \$10,450 higher than R.F. Benchmark’s Base Bid, and \$1,670 lower than R.F. Benchmark’s Total Bid. The Architect did not provide estimates for the optional equipment in Bid Alternates No. 1 and No. 2.

Bidders were advised to include \$20,000 in contingency funds in their base bids that would be used to address unforeseen issues that might arise during construction. After receiving the one bid, City Administration met with Jami Ramsey, Director of the Riley County Senior Center, and Architect Bruce McMillan to determine how to bring the project back into available funding limits. It was decided to reduce the \$20,000 contingency amount to \$8,000. This change will be implemented through a Deduct Change Order upon award of the project. In the event that this \$8,000 contingency is exceeded, additional funding will be provided from both the Senior Center and through surplus CDBG 2016 PY funds, as per the Agreement between the two parties.

FINANCING

The budget for the Senior Center Kitchen project was approved by the City Commission a part of the CDBG 2016 Annual Action Plan. CDBG 2016 PY funds of \$125,986 and Senior Center grant funds of \$82,260 will finance the kitchen design, construction, and construction administration. The Peine Foundation has stipulated that their grant funds of \$70,990 can only be used for kitchen equipment.

ALTERNATIVES

It appears the Commission has the following alternatives concerning the issue at hand. The City Commission may:

1. Accept the Architect's Opinion of Probable Cost of \$278,250 for the Base Bid; award and authorize the Mayor and City Clerk to execute a construction contract in the amount of \$267,800 for the Base Bid only, to R.F. Benchmark, Inc., of Manhattan, Kansas; approve and authorize the Mayor to execute Deduct Change Order No. 1 in the amount of \$12,000; and, authorize the Mayor and City Clerk to execute an Agreement with the Riley County Seniors' Service Center for its \$153,250 contribution for the Riley County Seniors' Center Kitchen Project (CD1616).
2. Accept the Architects Opinion of Probable Cost of \$278,250 for the Riley County Seniors' Service Center Kitchen Improvements Project (CD1616), but do not award a construction contract.
3. Modify the item to meet the needs of the Commission.
4. Table the request and provide further direction to City Administration.

RECOMMENDATION

Approval of the Base Bid along with the simultaneous Deduct Change Order will keep the project under the Architect's Base Bid Estimate and within available funding levels. City Administration recommends that the City Commission accept the Architect's Opinion of Probable Cost of \$278,250 for the Base Bid and authorize the Mayor and City

Clerk to award and execute a construction contract in the amount of \$267,800 for the Base Bid only to R.F. Benchmark, Inc., of Manhattan, Kansas. City Administration also recommends approval and execution of Deduct Change Order No. 1 in the amount of \$12,000 for the Riley County Seniors' Service Center Kitchen Improvement Project (CD1616) and, execution of an Agreement with the Riley County Seniors' Service Center for use of its \$153,250 contribution.

The Senior Center has agreed to this approach to keeping the project on track, to raise additional funds if needed, and concurs with City Administration's recommendation (*see attached memo*). In addition, R.F. Benchmark has verbally agreed to this approach.

POSSIBLE MOTION

Accept the Architects Opinion of Probable Cost in the amount of \$278,250 for the Base Bid; award and authorize the Mayor and City Clerk to execute a construction contract in the amount of \$267,800 for the Base Bid only to R.F. Benchmark, Inc., of Manhattan, Kansas; approve and authorize the Mayor to execute Deduct Change Order No. 1 in the amount of \$12,000; and, authorize the Mayor and City Clerk to execute an Agreement with the Riley County Seniors' Service Center for its \$153,250 contribution for the Riley County Seniors' Service Center Kitchen Improvement Project (CD1616).

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EC/CLE/vr

Enclosures:

1. Agreement between City and Senior Center
2. Bid Summary
3. Letter from Bruce McMillan AIA, Architects, P.A.
4. Memo from Riley County Seniors' Service Center
5. Deduct Change Order No. 1

AGREEMENT

THIS AGREEMENT (“Agreement”) is entered into this 2nd day of May, 2017, by and between the Riley County Seniors’ Service Center, Inc., a Kansas not-for-profit corporation (“Center”) and the City of Manhattan, Kansas, a municipal corporation (“City”).

WHEREAS, the City owns the real estate located at 301 N. 4th Street, the parking lot immediately to the east of the real estate, and the parking lot addressed as 321 N. 4th Street, located in Manhattan, Riley County, Kansas (collectively “Real Estate”); and,

WHEREAS, the Center leases the Real Estate from the City pursuant to an agreement dated December 4, 2012, to house and operate the Riley County Seniors’ Service Center; and,

WHEREAS, the Center desires to improve the kitchen within the building upon the Real Estate (“the Project”); and,

WHEREAS the City was awarded \$125,986 in funds from the U.S. Department of Housing and Urban Development pursuant to the Community Development Block Grant Program (“CDBG Funds”) to contribute to the completion of the Project; and

WHEREAS, because of the CDBG Funds, the City must undertake the Project as a City project through its design, bidding and construction procurement procedures; and,

WHEREAS, the Center desires to contribute additional funds totaling \$153,250 (“Center Funds”) to increase the Project’s scope, as described in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

1. The parties agree that the City is required to pursue and undertake the necessary services to accomplish the Project; therefore, the City agrees to design, construct, or cause to be constructed, the Project, subject to the receipt of the CDBG Funds and Center Funds. The City shall be responsible for paying all Project costs, subject to the receipt of the CDBG Funds and Center Funds, and further subject to the remaining terms of this Agreement.
2. The Center specifically grants the City, its agents, employees, contractors and/or subcontractors the right of access to the Real Estate for the purpose of accomplishing the Project. The Center further authorizes the City to take all actions necessary to accomplish the Project, including but not limited to, contracting and paying for related professional and construction services and materials. The Center affirmatively states that

it has had the opportunity to review the terms of the City contracts relating to the Project and that the contracts comply with this Agreement and are acceptable to the Center.

3. The parties agree that the total Project costs (design, engineering, bidding, construction, construction administration, equipment, City and CDBG administrative costs, and all other such costs) shall not exceed \$279,236, which is total of the available CDBG Funds and Center Funds. The parties agree to cooperate to adjust the Project's scope to ensure that the total project costs do not exceed \$279,236; or alternatively, the total Project cost may exceed such amount if the funds for the excess Project costs can be obtained by either the Center or the City. In the event that the parties cannot agree on adjustment or expansion of the scope, the City shall have the final authority to determine the scope.
4. The parties agree that, upon the execution of this Agreement, the Center will remit the Center Funds of \$153,250 to the City to hold in a separate City fund to pay for Project costs. The City will withhold the "Notice to Proceed" for the Project until the Center's funds have been received by the City. If the Project proceeds, the Project costs shall be deducted from the CDBG Funds and Center Funds as follows:
 - a. Project Equipment Costs: The Center Funds include a grant from the Caroline Peine Foundation in the amount of \$70,990 to be used exclusively for equipment for the Project, in accordance with the grant agreement between the Caroline Peine Foundation and the Center ("Center Peine Funds"). The Project's Equipment Costs shall be paid using the Center Peine Funds. The Center shall notify the City which Project Costs can be paid for using the Center Peine Funds, and the City may rely upon the Center's notification as an appropriate use of the Center Peine Funds. The parties agree that the City is not responsible, in anyway, for the Center's compliance with its grant agreement with the Peine Foundation. The parties agree that the equipment purchased with the Center Peine Funds is Center property, and the parties agree to execute the necessary documents to effectuate the Center's ownership.

If the Project Equipment Costs exceed the Center Peine Funds, the remaining Project Equipment Costs shall be deducted from each party's available funds, pursuant to the formula in subsection (b). If the Project Equipment Costs are less than the Center Peine Funds, the City shall return the remaining Center Peine Funds to the Center.

- b. All other Project Costs: All other Project Costs, except the Project Equipment Costs identified in subsection (a), shall be deducted from the available funds as follows: For each pay request received or produced by the City, the Center Funds shall be deducted for 45% of the pay request costs, and the CDBG Funds shall be deducted for 55% of the pay request costs.

Upon completion of the Project, the City shall return to the Center any balance of Center Funds not used for the Project.

5. The Center acknowledges that the City is required to follow CDBG Grant program procedures and any executed CDBG Grant agreement, and the Center agrees to comply, or facilitate the City's compliance with, applicable procedures and terms. If the Center breaches the terms of this Agreement or violates the CDBG Grant program requirements, resulting in the City's obligation to repay the CDBG funds, the City may require the Center to reimburse the City for any and all CDBG funds expended on the Project.
6. No party shall delegate or assign this Agreement or any rights or duties hereunder (including by the merger or consolidation of a party with any third person) without the prior, written consent of the other parties. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assigns of each upon execution hereof by the parties. This Agreement creates no rights as a third party beneficiary or otherwise in any person not a party.
7. This Agreement fully and completely represents the final, entire and integrated expression of agreement between the Center and the City and supersedes all prior negotiations, representations or agreements, either written or oral, pertaining to the subject matter hereof or the transaction contemplated hereby. No party shall rely upon any prior statement or representation made by or on behalf of the other not embodied in this Agreement.
8. This Agreement is entered into in the State of Kansas and shall be interpreted under the laws of that state.

IN WITNESS WHEREOF, the parties have set their hands upon the day and year above written.

CITY OF MANHATTAN, KANSAS:

ATTEST:

By: _____
USHA REDDI, MAYOR

By: _____
GARY FEES, MMC, CITY CLERK

RILEY COUNTY SENIORS' SERVICE CENTER, INC.:

BY: *Sami Ramsey*
NAME: *Sami Ramsey*
TITLE: *Director*

BID SUMMARY

Riley County Senior Center Kitchen Renovation, Project No.: CD1616
City Commission Room, City Hall
Thursday April 13, 2017 at 3:00 PM

BIDDER	BID BOND	RECEIPT OF ADDENDUM NO. 1	RECEIPT OF ADDENDUM NO. 2	BASE BID	BID ALTERNATE NO. 1	BID ALTERNATE NO. 2	TOTAL BID
* R.F. Benchmark	X	X	X	*\$267,800	\$2,200	\$9,920	\$279,920
Architect's Opinion of Probable Cost	N/A			\$278,500			

* Recommend Award of Contract



BRUCE McMILLAN AIA ARCHITECTS, P.A.

555 Poyntz Avenue | Suite 295
Manhattan, KS 66502
(P) 785.776.1011

332 West 7th Street | Suite A
Junction City, KS 66441
(P) 785.238.5678

236 San Jose Street | Suite 127 A
Dodge City, KS 67801
(P) 620.371.6878

April 20, 2017

Ms. Christina L'Ecuyer
c/o Community Development Department
City Hall
1101 Poyntz Avenue
Manhattan, KS 66502

Project: Riley County Seniors' Service Center Phase 3: CD 1616/12.01-3 Kitchen Improvements

Dear Ms. L'Ecuyer:

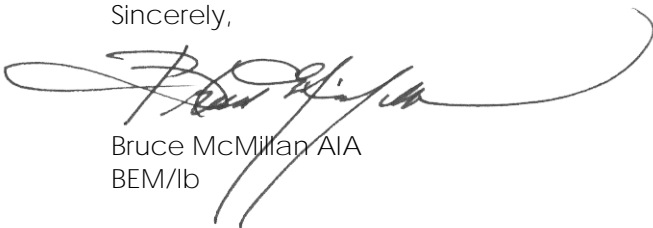
The bid opening on the above referenced project was held at 3:00 PM on Thursday April 13, 2017. Of six general contractors originally identified as bidding on the project, only one (1) bid was received. The bid from R.F. Benchmark for the base bid of \$267,800.00 plus Alternate No. 1 (utility carts and dish dollys) \$2,200.00 and Alternate No. 2 (steamer and stand) \$9,920.00 are shown.

Funding for this project as identified by your office and the administration of the Senior's Service Center is \$255,886.00. As there are two contingency amounts built into the base bid (\$15,000.00-general contingency and \$5,000.00-roof repair) totaling \$20,000.00, it is recommended to reduce the contingencies by \$12,000.00 to meet the funding available.

The recommendation from our firm, therefore is to recommend that the Commission accept the base bid only from RF Benchmark of \$267,800.00, not accept the alternates, and simultaneously approve a deduct change order to the contract for \$12,000.00, awarding a contract for \$255,800.00.

Your concurrence with this recommendation is appreciated and as questions arise please contact our office. We will be present at the May 2nd City Commission meeting should questions arise. Thank you.

Sincerely,



Bruce McMillan AIA
BEM/lb



301 N. 4th St.
Manhattan, Kansas 66502
(785) 537-4040

TO: Manhattan City Commissioners

FROM: Jami Ramsey, Director
Riley Co. Seniors' Service Center

DATE: April 21, 2017

The Board of Directors met today and took the following action:

The Riley County Seniors' Service Center Board, aware that the bid for the Kitchen Remodel came in \$12,000.00 higher than the available funding, and that the bid includes \$20,000.00 for contingencies, agrees that the difference between the bid amount of \$267,800.00 and the available funds amount of \$255,800.00, be managed by reducing the amount for contingencies in the bid to \$8,000.00, through a Deduct Change Order for \$12,000.00.

If additional funds are needed beyond the remaining \$8,000.00 for contingencies, the Riley County Seniors' Service Center will make available to the City of Manhattan, up to \$5,000.00 for any contingencies on the kitchen remodeling project with the understanding that:

1. The \$8,000.00 in the bid for contingencies be used first;
2. The request for any additional contingency funding be presented in writing;
3. The Center will pay 45% of any contingency funds needed not to exceed \$5,000.00.

We are most grateful to the City of Manhattan for the Community Development Block Grants to construct the Center in 1982, build an expansion in 1990, and implement improvements as needed.

SECTION J



CHANGE ORDER

Change Order No. 1
From Date: May 2, 2017
To Date: September 1, 2017

Project No.: CD1616/12.01-03
Project Title: CDBG Riley County Seniors' Service
Center Phase 3 Kitchen Improvements

Contractor:
RF Benchmark Construction
4361 S. Dam Road
Manhattan, KS 66502

Telephone: _____

Email: _____

Code: _____

Nature of Change: General Contingency Deduct

ITEM NO.	DESCRIPTION	PLAN QUANTITY	UNIT	ACTUAL QUANTITY	QUANTITY CHANGE	UNIT PRICE	NET PRICE CHANGE
1.	General Contingency Deduct						(\$12,000.00)
2.							
3.							
4.							

Original Contract Price:	\$ <u>267,800.00</u>
Total This Change Order	\$ <u>(12,000.00)</u>
Total Previous Change Orders	\$ <u>0.00</u>
Current Contract Price	\$ <u>255,800.00</u>

SECTION J

PROJECT TITLE: CDBG Riley County Seniors' Service Center Phase 3 Kitchen Improvements
PROJECT NO. CD1616/12.01-03

CONTRACT PRICE

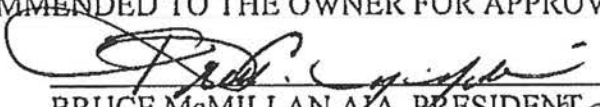
Original Contract Price:	\$ <u>267,800.00</u>
Net Increase – Previous Change Orders:	\$ <u>0.00</u>
Net Increase – This Change Order:	\$ <u>(12,000.00)</u>
Current Price Including This Change Order:	\$ <u>255,800.00</u>
Percentage Change From Original Contract Price:	\$ <u>(4.8%)</u>

CONTRACT TIME

Original Contract Time:	<u>N/A</u> Calendar Days
Net Increase/Decrease – Previous Change Orders	<u>N/A</u> Calendar Days
Net Increase – This Change Order	<u>N/A</u> Calendar Days
Current Contract Time Including This Change Order	<u>N/A</u> Calendar Days

THE ABOVE CHANGES ARE RECOMMENDED TO THE OWNER FOR APPROVAL

4/24/17
DATE


BRUCE McMILLAN AIA, PRESIDENT

4-24-17
DATE


ERIC CATTELL, DIRECTOR OF COMMUNITY DEVELOPMENT

THE ABOVE CHANGES ARE ACCEPTED:

DATE

CONTRACTOR

TO: _____

YOU ARE DIRECTED TO MAKE THE CHANGES NOTED HEREIN FOR THE SUBJECT CONTRACT

DATE

USHA REDDI, MAYOR