

**RESOLUTION NO. 90663-0109**

**AWARD CONTRACT FOR  
GEOTHERMAL HVAC PUBLIC SAFETY BUILDING PROJECT**

It is resolved that the following bid is determined to be the lowest responsible bid for the Geothermal HVAC Public Safety Building Project.


<u>NAME &amp; ADDRESS CONTRACTOR</u>	<u>AMOUNT OF BID</u>
Hometown Plumbing & Heating 13606 – 118 <sup>th</sup> Avenue Davenport, IA 52804	\$789,965.00

It is further resolved that the Geothermal HVAC Public Safety Building Project is awarded to the above named contractor for \$789,965.00, and the Mayor and City Clerk are authorized and directed to enter into a written contract with said contractor covering the furnishing of material for, and construction of the Geothermal HVAC Public Safety Building Project, such contract not to be binding until approved by resolution of this Council.

It is further resolved that the amount of the contractor's bond is fixed at \$789,965.00, which is one hundred percent of the contract price.

PASSED, APPROVED, AND ADOPTED THIS 15<sup>th</sup> DAY OF JANUARY, 2009.



  
A. J. Johnson, City Clerk

  
Richard W. O'Brien, Mayor



*A&J Associates*  
*Mechanical and Electrical Consulting Engineers*

---

December 15, 2008

Jerry McKenzie  
Building & Grounds Supervisor Public Works Department  
City of Muscatine  
1459 Washington St.  
Muscatine IA 52761

RE: Geothermal HVAC Design for Muscatine Public Safety Building  
A&J #200841.00  
Evaluation of Bids Received

Dear Jerry:

On December 11, 2008, two bids for the above referenced project were received and opened by the City of Muscatine. One bid was received from Hometown Plumbing & Heating from Davenport, Iowa, and the other was received from Ryan & Associates from Davenport, Iowa.

The two bids breakdown as follows.

- A. Hometown's bid was for \$789,965.00
  - 1. Hometown acknowledged Addenda 1 and 2.
  - 2. Hometown included an AIA form bid bond in the specified amount of five (5) percent of the bid amount.
  - 3. Hometown submitted the contractor qualifications but did not include the credit and bank references requested.
  - 4. Hometown took no exceptions to the bidding documents.
  - 5. Hometown stated what areas of work will be done by subcontractors. Hometown did not list those subcontractors specifically.
- B. Ryan's bid was for \$1,129,000.00.
  - 1. Ryan did not acknowledge receipt of Addenda 1 and 2.
  - 2. Ryan included an AIA form bid bond in the specified amount of five (5) percent of the bid amount.

3. Ryan submitted contractor qualification information as specified.
4. Ryan took no exceptions to the bidding documents.
5. Ryan stated they will use no "subcontractor" to do any of the work. Rather, they propose to self perform the work. This claim does not meet requirements specified for subcontractors for sheet metal, geothermal well field installer, control systems, and testing and balancing the systems.

I discussed Hometown's bid with Mr. Kirk Baker, Vice President. He relayed the following.

- A. Hometown's proposed list of subcontractors which meets the specification requirements.
- B. Hometown had no questions concerning the project and felt "comfortable" with their bid.
- C. Hometown has no concerns with the specified completion date of September 30, 2009.

Hometown's bid of \$789,965 was thirty (30) percent below Ryan's bid of \$1,129,000.

Hometown's bid of \$789,965 was almost ten (10) percent below A&J's study estimated (adjusted for accuracy by a 10% confidence factor) of \$808,570.

A&J believes the wide range between the two bids received is due to the economy's uncertainty and the remodeling difficulty of the project. We think the two bidders just saw the risk factor differently.

Hometown's bid compares favorably with A&J's concept cost estimate prepared in the spring of 2008 when the concept estimate was adjusted for accuracy.

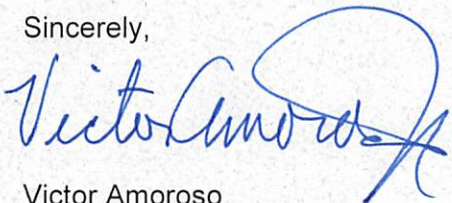
Based on the above information A&J Associates PC recommends accepting the low bid from Hometown Plumbing & Heating and awarding a contract to them for the Geothermal HVAC Design for the Muscatine Public Safety Building in the amount of \$789,965.

The contract award should be contingent upon receiving the following post bid information from Hometown.

- A. Bank and credit references.
- B. List of major subcontractors and equipment suppliers to include sheet metal, insulation, geothermal well field installer, control system, and test and balance contractor.

Please let us know if you have any questions or comments.

Sincerely,



Victor Amoroso

Enclosure (1)