



Grand Forks Growth Fund, A Jobs Development Authority Staff Report

Growth Fund Committee – March 18, 2019
JDA – April 1, 2019

APPROVED

Agenda Item: LM Wind Power Expansion Bids

Submitted by: Meredith Richards, Community Development Director

Staff Recommended Action: Reject all bids and re-advertise project

Committee Recommended Action: N/A

JDA Action:

UPDATED INFORMATION: On March 18, the Growth Fund Committee reviewed the updated budget information and timeline below. Bids were opened as scheduled on March 28. Three bids were received; one was not opened due to an irregularity with the bid bond, and the low bid exceeded the architect's estimate by more than 10% (see attached bid tabulation). Discussion followed with representatives of LM and EAPC, and consensus was to reject bids and re-advertise. LM and EAPC will look at potential alternatives to reduce costs and rebid the project as soon as possible.

BACKGROUND: Last December, the JDA authorized two projects at 1550 S. 48th Street: 1) modifications to LM's manufacturing plant to add a third 62.2 meter blade mould; and 2) fit-up of the first floor of the space formerly occupied by Amazon to serve as LM's "Center of Excellence" training facility. The JDA initially approved a budget of up to \$2.5 million to finance both projects. LM ultimately chose to fund the fit-up of the manufacturing space themselves due to the time required for public bidding, so development of plans and specs moved ahead for the Center of Excellence fit-up only. This portion was initially budgeted at \$500,000; however, the design has now been finalized and EAPC has increased their cost estimate as detailed below:

Base Bid	\$777,270
Alternates	72,172
5% Contingency	42,000
9% A/E Fee	<u>76,450</u>
Total	\$967,892

Bids are scheduled to be opened on March 28; following review of bids and approval by LM, they would go to the JDA for final action on April 1.

FINDINGS & ANALYSIS:

- Cost estimates rose due primarily to HVAC requirements, not a change in project scope. The training facility will mirror manufacturing conditions so the existing office set-up will require more extensive modifications than originally anticipated. The budget for this portion of the project has increased significantly but is still well under the \$2.5 million that was authorized.

- Under the terms approved last year, LM's current base rent of \$4.90/s.f. is extended to the added space (approximately 10,000 s.f.); fit-up costs will be amortized over 84 months at 4% interest, then repaid (partially) over the term of the four-year lease extension (NNN). These terms are similar to the model used for the manufacturing expansion that was completed last spring.



BID TABULATION FORM

EAPC
 3100 DeMers Avenue
 Grand Forks, ND 58201
 (701) 775-3000

PROJECT: LM Wind Power 1550 Office Renovation
 LOCATION: Grand Forks, ND
 BID DATE: Thursday, March 28, 2019

PROJ. NO: 20184420 City #8033
 BID TIME: 2:00 P.M. CDT

BIDDERS	ICS, Inc.	Roer's Construction		
LICENSE NO.	✓	✓		
BID SECURITY 5%	✓	✓		
ADDENDUM NO. 1, 2 & 3	✓	✓		
BASE BID	\$1,035,167.00	\$861,600.00		
ALTERNATES				
No. 1 Provide data cabling	\$27,876.00 30 days	\$26,000.00 0 days	\$ _____ _____ days	\$ _____ _____ days
No. 2 Provide remodeling at Nurse/PT Room 521	\$31,456.00 30 days	\$19,000.00 0 days	\$ _____ _____ days	\$ _____ _____ days
No. 3 Add overhead door at south wall	\$32,208.00 30 days	\$13,160.00 0 days	\$ _____ _____ days	\$ _____ _____ days
COST SEPARATION ALTERNATES (CSA)				
CSA NO. 1 Cost of Door #545 and dividing wall	\$3,061.00	\$2,975.00	\$ _____	\$ _____
CSA NO. 2 Cost to fire seal walls of central stair, Foyer 546 and Stairs 549.	\$1,599.00	\$2,900.00	\$ _____	\$ _____
CSA NO. 3 Cost of fire sprinkler work, acoustic ceiling and grid, HVAC diffusers and reinstall light fixtures	\$3,456.00	\$5,000.00	\$ _____	\$ _____
CSA NO. 4 Work Area Room 512 - cost to cover the open holes in floor at each floor plate	\$320.00	\$1,300.00	\$ _____	\$ _____
CSA NO. 5 Unisex Toilet Room 542 - cost for all remodeling	\$900.00	\$1,800.00	\$ _____	\$ _____
CSA NO. 6 Cost to separate the electrical service and feeds between the main and second floors	\$34,645.00	\$26,250.00	\$ _____	\$ _____
CSA NO. 7 Cost to separate the natural gas system between the main and 2nd floors including separate meters.	\$7,462.00	\$7,000.00	\$ _____	\$ _____
CSA NO. 8 Cost to fire seal walls at both levels in stair 516, replace both doors (514 and 2001) with 60 min rating with fire exit	\$4,797.00	\$2,620.00	\$ _____	\$ _____

The undersigned certifies this Bid Tabulation.

Signed:
 Lee Estad