



May 12, 2020

Dan Werner, Public Works Planning Director
Town of Middlebury
77 Main Street
Middlebury, VT 05753

RE: Middlebury Police Department Adaptive Reuse Project – Contractor Selection

Dear Dan:

As you know, we saw a healthy response to our request for bid proposals for the Adaptive Reuse Project. Out of the six bid proposals, the lower three were closely grouped together, within 2.5% of each other. The other bids went up from there. Two of the lower bids came from the Rutland area, where we have long seen value in the bid market. The highest was from a Chittenden County company, so you can see the trend. The two local firms that submitted bids were around 10-15% higher than the lowest bidder.

The low bidder for the project is VMS Construction from Rutland. I have heard of them but they have never worked on one of our projects. Their President Victor Shappy apparently came up through Bread Loaf Construction years ago, like so many in the Vermont construction world. I reached out to some of my peers in the architecture world in Rutland and they consider VMS a solid partner for construction of their projects. Given that, and understanding their portfolio of work, we recommend that you accept their low bid for doing this project.

Our last construction cost estimate landed at \$734,000 for the construction portion of the project, and we know that some of the final developments around site utilities were likely to add scope/increase that number. The VMS low bid of \$701,000 is well below that value. Note that there are two alternates that are not elective – the structural engineer will evaluate the Cruiser Garage block after the roof structure has been removed, and the sub-base for the slab. We have firm numbers for the work associated with these alternates, totaling nearly \$23,000. The conservative move would be to assume that we will spend that, and consider the construction cost for the project to be \$724,000.

Given the age of the buildings we are working on here, and the complex nature of infrastructure surrounding them, we feel it would be prudent to have a solid contingency as you start the project. I know that you addressed this to a certain extent by requesting a bond value that was higher than our original Total Project Budget. We would usually recommend that you carry 3-5% at this stage of a project, but on this particular project, we will recommend 10%, or around \$70,000. You may feel comfortable reducing the contingency after we have completed the sitework portion of the project.

The contingency issue is also complicated by the fact that you will have a concurrent Decommissioning and Water Line project that will be working in the same project area. Perhaps you want to consider a single contingency for both projects?

It was not completely clear how the Covid-19 situation would affect the construction market, but it appears that for this project that the impact was fairly neutral. I am sure that if we had a more enclosed, finishes-intensive project, we would have seen more of a premium for the slower work that is bound to occur in the interiors of buildings

Please let me know if you have any further questions about this.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ashar Nelson', with a stylized flourish at the end.

Ashar Nelson, AIA, LEED AP – Principal
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cc:/ Nicholas Wood, VIA