

REQUEST FOR COUNCIL ACTION

DATE: November 14, 2016
ITEM NO: 24

Department Approval:	Administrator Reviewed:	Agenda Section:
Name Jeremy Barnhart	<i>JML</i>	Planning
Title Community Development Director		

Item Description: 3907 Cherry Demolition Bid

Application Summary

Staff seeks Council acceptance of a bid removing the home and contents within at 3907 Cherry Avenue. 3907 Cherry is a seemingly abandoned home, residents have complained as to the junk vehicles, broken windows, open doors, and un-kept nature of the property. Following Court authorization, the Building Official inspected the building and determined that it is structurally unsound, requiring demolition.

Staff solicited bids from 4 parties, two responded. The bids ranged in price from \$6,500 to \$32,625. These bids were attached.

In accepting the bids, we noted that the low bid did not include hazardous material testing as required in the bid request. Without disclosing the other bid amount, we have asked for that information to be provided, also attached.

The Council may discard the low bid because it was incomplete, or accept it. Regardless, the bid amount is higher than \$5,000, requiring Council action. The Council can also elect to re-advertise.

Action Requested:

Provide direction as to acceptance of a bid, or direction to re-advertise.

List of Exhibits:

Exhibit A. Received bids
Exhibit B. Request for bids

Pride Construction & Excavating, Inc.
 9450 West Hill Road
 Watertown, MN 55388
 Phone: 952-446-8804
 Fax: 952-446-8882
kvprideconst2@gmail.com

Proposal

Date: 10/30/2016
 Job No:

Customer Name City of Orono
 Name House Demolition.
 Attn: Roger Peitao
 Address 2750 Kelley Parkway
 Orono, MN 55358

Phone 952-249-4600
 Fax 952-249-4616
 Email ropeitao@ci.orono.mn.us

Job Location: 3907 Cherry Avenue

Description	Hours	Amount
<p>Demolition of house and removal of debris and misc items.</p> <p>Proposal is for demolition of house and removal of all items that are listed on sheet sent out from city. 10-17-2016</p> <p>And for work to be completed also as stated by city by 11-30-2016</p> <p>Included in proposal city sewer and water disconnect at curb.</p> <p>Note that work is for the City so any permits required will be covered by City.</p>		

Total Proposal \$ 4,800.00

Any alteration or deviation from above specifications involving extra costs, will be executed upon written orders and will become an extra charge over and above the estimate. This proposal expires 60 days from proposal date. Payments to be made as follows: Net 30 days from invoice date. A finance charge of 1.5% on all over 30 days.


 Ken Vanderlind, Vice President

10/30/16
 Date

 Signature of Acceptance

 Date

Pride Construction & Excavating, Inc.
9450 West Hill Road
Watertown, MN 55388
Phone: 952-446-9804
Fax: 952-446-8882
kvprideconst2@gmail.com

Proposal

Date: 11/9/2016
Job No:

Customer: City of Orono
Name: House Demolition
Attn: Roger Peitso
Address: 2750 Kelly Parkway
Orono, MN 55356

Phone: 952-249-4600
Fax: 952-249-4616
Email: rpeitso@ci.orono.mn.us

Job Location: 3907 Cherry Avenue

Description	Hours	Amount
<p>Hazardous Material Inspection for Demolition.</p> <p>Note that this is an additional cost from original proposal of \$4,800.00 and that if there would be any major unforeseen disposal of hazardous material to dispose of there maybe additional cost.</p>		

Total Proposal \$ 1,700.00

Any alteration or deviation from above specifications involving extra costs, will be executed upon written orders and will become an extra change over and above the estimate. This proposal expires 60 days from proposal date. Payments to be made as follows: Net 30 days from invoice date. A finance charge of 1.5% on all over 30 days.

Ken Vanderlinde, Vice President

Date

Signature of Acceptance

Date

October 25th, 2016

To: Mr. Roger Peiteo
Building Official
City of Orono

PROJECT: Demolition services for a residential property at 3907 Cherry Ave in Orono

Pricing:

Removal of personal property and waste	\$14,500
Testing for asbestos containing materials (Third party)	\$750
House demolition (no asbestos included)	\$17,375

Work description:

- Mobilization and permit costs for demolition services
- Asbestos testing as an alternate price
- Removal of internal personal property done time and material under allowances provided
- Utility disconnections at the property line
- Installation of silt fence and inlet protection
- Building demolition (house and garage)
- Removal of basement and foundations
- Removal of 4 automobiles, outside construction debris, skid steer, snow plow blades, boat trailer, mobile lift and misc. debris and furniture in the yard
- Transportation and disposal costs
- Import backfill material, topsoil and stabilize the site

Work excluded and project assumptions:

- Asbestos and hazardous removal is not including in this pricing and can be done time and materials under allowance pricing
- Disposal of personal property waste and chemicals will be done time and material under allowance pricing provided
- Underground storage tank/ fuel line removal is not included in this pricing
- Underground utilities in the site will be abandoned in place (not removed)
- Contaminated soils/ buried debris removal is not recognized in this pricing
- Rachel Contracting maintains salvage rights to building materials and revenues are recognized in lump sum pricing. Salvage vehicles will need legal transfer to Rachel Contracting prior to hauling off site
- All work will be continuous and performed under one mobilization.

Thank you for the opportunity to provide these services. As always if you have any questions, please do not hesitate to call me.

Sincerely,


Don Ritsen
Rachel Contracting
Office: 763-424-1500



CITY OF ORONO

Street Address:
2750 Kelley Parkway
Orono, MN 55356

Mailing Address:
P.O. Box 66
Crystal Bay, MN 55323

Telephone (952) 249-4600
Fax (952) 249-4616
www.ci.orono.mn.us

October 17, 2016

RE: 3907 Cherry Avenue
Orono, MN 55364

The City of Orono requests proposals to remove the home and equipment, cars, debris, trash, and garbage, including the removal of any hazardous materials within the building or on the property located at 3907 Cherry Avenue in the City of Orono Minnesota.

Items to be removed, include, but are not limited to:

1. 4-Automobiles: White Chevy Van Lic. # 709-AUV, Chevy Truck Lic. # Y/A C8438, Red Chevy Van Lic. # RGA-513, Chevy Flatbed Truck Lic. # Y/A G3161
2. Construction debris i.e. stone, concrete, dimensional lumber, steel.
3. Skid steer machine and attachments.
4. 5-Snowplow Blades
5. Boat trailer.
6. Exterior fuel oil tank.
7. Mobil electric lift
8. Debris and household goods and furniture in yard.

The house is the only building to be demolished, the garage building shall not be removed or damaged. The foundation must be removed and backfilled. The site shall be graded, and exposed soils seeded and stabilized. The building is currently being used for storage of many different items. There are some hazardous materials in the house i.e. paint, chemicals, propane tanks and other items not identified at this time that will need to be lawfully removed.

The work is requested to be completed by November 30, 2016.

Any questions please call.

Regards,

Roger Peitso
Building Official
City of Orono
Phone: 952-249-4600
Direct: 952-249-4625
Email: rpeitso@ci.orono.mn.us
Fax: 952-249-4616

CONTRACTOR WORK AGREEMENT

THIS AGREEMENT ("Agreement") is made by and between the CITY OF ORONO, a Minnesota municipal corporation ("City"), and PRIDE CONSTRUCTION AND EXCAVATING, INC., a Minnesota business corporation ("Contractor").

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

1. CONTRACT DOCUMENTS. The following documents shall be referred to as the "Contract Documents," all of which shall be taken together as a whole as the contract between the parties as if they were set verbatim and in full herein:

- A. This Agreement;
- B. City's Request for Proposals dated October 17, 2016, attached as Exhibit A ("RFP").

In the event of a conflict among the provisions of the Contract Documents, the order in which they are listed above shall control in resolving any such conflicts with Contract Document "A" having the first priority and Contract Document "B" having the last priority.

2. OBLIGATIONS OF THE CONTRACTOR. The Contractor shall provide the goods, services, and perform the work in accordance with the Contract Documents and all applicable state and federal laws and regulations ("Work"). The Contractor agrees to furnish the City with all Mechanics Lien Waivers and evidence of the proper disposal of all demolition material, junk, refuse and debris deemed necessary by the City, prior to compensation.

3. OBLIGATIONS OF THE CITY. The City shall pay the Contractor the sum of Four Thousand Eight Hundred and 00/100 dollars (\$4,800.00), which includes all applicable sales tax, upon completion of the Work and inspection and acceptance of the Work by the City. Final payment shall be made not later than thirty (30) days after completion, acceptance thereof, and invoicing by Contractor.

4. TIME OF PERFORMANCE. The Contractor shall complete its obligations on or before November 30, 2016.

5. INDEPENDENT CONTRACTOR. The City hereby retains Contractor as an independent contractor upon the terms and conditions set forth in this Agreement. No statement herein shall be construed so as to find the Contractor an employee of the City. Contractor is not an employee of the City and is free to contract with other entities as provided herein. Contractor shall be responsible for selecting the means and methods of performing the work. Contractor shall furnish any and all supplies, equipment, and incidentals necessary for Contractor's performance under this Agreement. The City and Contractor agree that Contractor shall not at any time or in any manner represent that the Contractor or any of Contractor's agents or employees of the City. Contractor shall be exclusively responsible under this Agreement for

Contractor's own FICA payments, workers compensation payments, unemployment compensation payments, withholding amounts, and/or self-employment taxes if any such payments, amounts, or taxes are required to be paid by law or regulation.

6. PROMPT PAYMENT TO SUBCONTRACTORS. Contractor shall not enter into subcontracts for services provided under this Agreement without the express written consent of the City. Pursuant to Minn. Stat. § 337.10, Subd. 3, the Contractor must pay any subcontractor within ten (10) days of the Contractor's receipt of payment from the City for undisputed services provided by the subcontractor. The Contractor must pay interest of one and one-half percent (1½ %) per month or any part of a month to subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100.00 or more is \$10.00. For an unpaid balance of less than \$100.00, the Contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Contractor shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

7. WORKER'S COMPENSATION. If Contractor does public work, the Contractor shall obtain and maintain for the duration of this Contract, statutory Worker's Compensation Insurance and Employer's Liability Insurance as required under the laws of the State of Minnesota.

8. LIABILITY. The Contractor agrees that in order to protect itself and the City under the indemnity provisions set forth herein, Contractor shall obtain the following minimum insurance coverage and maintain it at all times throughout the life of the Contract and for two years following completion of the work, and provide the City with a certificate of insurance with the City included as an additional name insured:

Comprehensive or
Commercial General
Liability Insurance: \$3,000,000 per occurrence in combined single limits

Comprehensive
Automobile Liability
(owned, non-owned,
hired): \$1,500,000 per occurrence in combined single limits

Pollution Liability
Insurance: \$1,000,000 per occurrence
\$2,000,000 in the aggregate

9. WARRANTY. The Contractor shall exercise the same degrees of care, skill, and diligence in the performance of the Work as ordinarily possessed and exercised by a contractor under similar circumstances. The Contractor shall be held responsible for any and all defects in workmanship, materials, and equipment which may develop and, upon proper notification by the City, shall immediately replace, without cost to the City, any such faulty part or parts and damage done by reason of the same in accordance with the bid specifications.

10. INDEMNITY. Contractor shall indemnify and hold harmless the City, its officers, agents and employees, of and from any and all claims, demands, actions, causes of action, including costs and attorney's fees, arising out of or by reason of the negligent execution or performance of the services provided for herein and further agrees to defend at its sole cost and expense any action or proceeding commenced for the purpose of asserting any claim arising hereunder. Contractor shall indemnify the City against legal liability for damages arising out of claims by Contractor's employees.

11. DATA PRACTICES /RECORDS.

A. Contractor must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to (1) all data provided by the City pursuant to this Agreement, and (2) all data created, collected, received, stores, used, maintained, or disseminated by the Contractor pursuant to this Agreement. Contractor is subject to all the provisions of the Minnesota Government Data Practices Act, including but not limited to the civil remedies of Minnesota Statutes Section 13.08, as if it were a government entity. In the event Contractor receives a request to release data, Contractor must immediately notify City. The City will give Contractor instructions concerning the release of the data to the requesting party before data is released. Contractor agrees to defend, indemnify, and hold the City, its officials, officers, agents, employees, and volunteers harmless from any claims resulting from Contractor's officers', agents', city's, partners', employees', volunteers', assignees' or subcontractors' unlawful disclosure and/or use of protected data. The terms of this paragraph shall survive the cancellation or termination of this Agreement.

B. All books, records, documents, and accounting procedures and practices of the Contractor and its subcontractors, if any, relative to this Contract are subject to examination by the City for three years after final payments and all other pending matters related to this Agreement are closed.

12. NON-DISCRIMINATION. During the performance of this Agreement, the Contractor shall not discriminate against any employee or applicants for employment because of race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to public assistance, disability, or age. Contractor shall post in places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. Contractor shall incorporate the foregoing requirements of this paragraph in all of its subcontracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

13. THIRD PARTY RIGHTS. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and Contractor.

14. ASSIGNMENT. Neither party may assign, sublet, or transfer any interest or obligation in this Contract without the prior written consent of the other party, and then only upon such terms and conditions as both parties may agree to and set forth in writing.

15. **WAIVER.** In the particular event that either party shall at any time or times waive any breach of this Contract by the other, such waiver shall not constitute a waiver of any other or any succeeding breach of this Contract by either party, whether of the same or any other covenant, condition, or obligation.

16. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

17. **SEVERABILITY.** If any provision, term, or condition of this Contract is found to be or become unenforceable or invalid, it shall not affect the remaining provisions, terms, and conditions of this Contract, unless such invalid or unenforceable provision, term, or condition renders this Contract impossible to perform. Such remaining terms and conditions of the Contract shall continue in full force and effect and shall continue to operate as the parties' entire contract.

18. **ENTIRE AGREEMENT.** The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

IN WITNESS WHEREOF, the parties have caused this Release Agreement to be executed the date last written below.

CITY OF ORONO:

Date: _____

By: Lili Tod McMillan
Lili Tod McMillan, Its Mayor

Date: _____

By: Jessica Loftus
Jessica Loftus, City Administrator

PRIDE CONSTRUCTION AND EXCAVATING, INC.

Date: 11-2-16

By: Ken Vandekilde
Ken Vandekilde
Its owner

EXHIBIT A



CITY OF ORONO

Street Address:
2750 Kelley Parkway
Orono, MN 55356

Mailing Address:
P.O. Box 66
Crystal Bay, MN 55323

Telephone (952) 249-4600
Fax (952) 249-4616
www.ci.orono.mn.us

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7. Mobil electric lift
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Regards,

Roger Peltso
Building Official
City of Orono
Phone: 952-249-4600
Direct: 952-249-4625
Email: rpeltso@ci.orono.mn.us
Fax: 952-249-4616

EXHIBIT A



EXHIBIT A



EXHIBIT A



EXHIBIT A



EXHIBIT A





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/3/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Innovative Insurance Services, LLC. 8001 Old Carriage Court North, Suite B Shakopee MN 55379	CONTACT NAME: Scott Gaughran PHONE (A/C, No, Ext): 952-445-5767 E-MAIL ADDRESS: dan@innovativeinsure.net	FAX (A/C, No): 952-445-2182
	INSURER(S) AFFORDING COVERAGE	
INSURED Pride Construction & Excavating, Inc. 9450 West Hill Road Watertown MN 55388-9618	INSURER A: Owners Insurance Company	NAIC # 32700
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		08117480	01/19/2016	01/19/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		49-383821-00	01/19/2016	01/19/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y N/A	08117583	01/19/2016	01/19/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Orono

 Attn: Roger Peitso
 2750 Kelley Parkway
 Orono, MN 55356

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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