

THE CITY OF

Troy Klecker
Community Development Director



OWATONNA

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DATE: March 12, 2020
TO: Mayor and City Council
FROM: Troy Klecker, Interim Park and Rec Director
SUBJECT: Contract for Facility Assessment

Purpose:

City Council to approve a contract with ICS for a facility assessment.

Background:

Staff has talked about having a facility assessment of the City's buildings for some time to help with capital improvement and long term planning. A good assessment requires time and a level of expertise that our staff does not have. Staff wants a quality assessment and after looking at several options is recommending ICS provide this service. Currently, ICS is also working with Steele County to assess some of their facilities.

ICS will complete a comprehensive facility assessment for all city owned facilities, will take a 10-year look ahead for improvements needed and provide preliminary project development services for projects deemed critical and address operational cost efficiencies in select facilities.

Budget Impact:

The contract is \$23,000. We received a 10% rate discount since the City is member of the Southeast Service Cooperative of Minnesota. Money set aside from the extra LGA funding will be used for these services.

Staff Recommendation:

Staff recommends approval of this contract with ICS.

03/02/2020

City of Owatonna, Minnesota

Mr. Troy Klecker and Mr. Aaron Fitzloff

540 West Circle Hills Drive

Owatonna, MN 55060



3890 Pheasant Ridge Drive Northeast
Suite 180 | Blaine, Minnesota 55449
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(763) 354-2670

RE: Proposal for Facility Assessment and Preliminary Project Development Rev 3

Dear Troy and Aaron:

Thank you for affording us the opportunity to provide our services to the City of Owatonna. The main theme among our services is founded in simple and effective assessment of our clients' operation and how we can provide high-quality services at the most affordable cost. As we discussed, our process takes advantage of efficiencies and similarities amongst a variety of services such as required site visits, utilizing collected data for more purposes than one, and simply focusing on niche areas that are not cost effective for most of our clients to take on themselves. This letter of understanding and proposal reflects on the discussions we have recently had and our team's numerous site visits to facilities owned by the City of Owatonna.

ABOUT THE TEAM

With roots in Minnesota dating back to 1922, ICS is a leading professional services firm focused on providing strategic facility planning, project development, and construction services. With a mission to enhance the entire process from project development through completion for a wide variety of clientele, our philosophy is to utilize our expertise where it is needed and best suited. Our experts come from varying professional backgrounds that we utilize to help our partners reach their goals, including engineering, architecture, construction, energy services, commissioning, and more. We customize each of our projects to match the needs of our partners because we are committed to be true advocates for our clients' missions. With a heavy focus on strategic capital planning and project funding, we have a uniquely effective and affordable approach to help our clients accomplish their goals, from concept to completion and everywhere in-between.

KEY POINTS

Based upon our discussions with City personnel and visiting several of your facilities, we have made the following observations:

**BUILDING STRONG
CONNECTIONS**





- Overall the City's facilities are well maintained, despite the age of many buildings and limited amount of dedicated funding to facility upkeep
- City facility maintenance and operations staff have a strong desire to keep facilities, even "back-of-house" areas, clean, orderly, and functional.
- The City does not currently employ ongoing facility planning or assessment strategies, including project budgeting, prioritizing, or facility financial comparisons such as facility condition indexing
- The City does not currently utilize automated systems, analytics, or other data for facility operations, management, and work-order management including occupant requests.
- Critical infrastructure projects should be addressed as soon as possible including mechanical and electrical system renovations, particularly in older facilities due to the considerable impact their failure can have on city facilities
- Considerable projects have been completed in recent years including building exterior and envelope work.

PROPOSED SCOPE OF SERVICES

- ICS will complete a comprehensive facility assessment for all City-owned facilities, noting major deficiencies and projects that should be incorporated into the City's annual Capital Improvement Plan, including preliminary budget estimates for completed work.
- ICS will load project cost data into its standard workbook platform with a 10-year look-ahead, summarized by needs by facility, system, and year anticipated. ICS will consult with the City to determine the most useful reporting format and to consult on an ongoing basis to prioritize projects based upon several factors such as criticality, cost, operational savings, funding mechanisms, and others.
- ICS will provide preliminary project development services for projects deemed critical and/or urgent and address operational cost efficiencies in select facilities. As appropriate, ICS will provide appropriate Project Development services and Program Management for project implementation under a separate agreement.





COMPENSATION

Compensation for completion of all work as described above is proposed as a lump sum amount of twenty-three thousand dollars (\$23,000), billed in two amounts according to the table below. This fixed fee amount is inclusive of all required services, both in-house and on-site, as outlined in this proposal. Reimbursable expenses will be billed at cost times 1.25 and will be limited to items such as travel, lodging, plan reproduction, etc. Please note the billing amounts shown DO NOT include a 10% discount that will be applied presuming the City continues its membership In the Southeast Service Cooperative of Minnesota.

Anticipated Billing Schedule for Services			
Year	Billing No. 1	Billing No. 2	Total
2020	\$11,500	\$11,500	\$23,000

This proposal anticipates site visits for all necessary data collection and survey work, as well as meetings with City of Owatonna and staff to review findings and data reporting.

ICS assumes that City information and data will be made available for our use, and that we will have access to appropriate administrative and facilities personnel in our efforts. ICS will commence its research and study work upon acceptance of this proposal and will complete the work described in a timely fashion to accommodate the needs of the City.

If this proposal is acceptable, please authorize us to proceed by signing a copy of this document and returning it to our office. We will proceed with our scope of work upon receipt of your signed proposal. Thank you for the opportunity to provide you with this proposal. We look forward to working with you on this exciting project!

Best regards,

Mike Piper, LEED AP, Principal

ICS





ACCEPTANCE

Accepted for City of Owatonna, Minnesota:

**Signature Indicates Review and Acceptance of Terms & Conditions on following pages*

Signature _____

Printed Name _____

Title _____

Date _____





Terms & Conditions

The word “Consultant” refers to ICS, the company with which Owner is contracting. “Owner” is our client. The Agreement with you, the client, is comprised of this Agreement and accompanying written proposal.

1. Scope of Work and Duration of Services

Consultant will furnish and perform the services specified in Consultant’s proposal (the “Proposal”). If any portion of the proposal is inconsistent with this Agreement, this Agreement shall control. The commencement date for basic services shall be the date of approval of this proposal agreement. Consultant’s obligation to perform the Services shall terminate upon completion of the 1 year statutory warranty period for the project or upon completion of all specified services described in this proposal.

2. General Provisions

In addition to the Proposal, Consultant and Owner agree as follows:

A. Right of Access

UCSDs otherwise agreed in writing, Owner will furnish Consultant with right-of-access to the Site and accurate information necessary to conduct the Services, as requested by Consultant.

B. Confidential & Proprietary Information

The Consultant and Owner agree not to disclose to others or use any confidential or proprietary information or trade secrets of the other, which may become known to each prior to, during or after the performance of this Agreement without the prior written consent of the other. “Confidential or propriety information” and “trade secrets” shall mean any information about the other which is neither publicly known nor legally accessible to the other parties from third parties. Prior to the disclosure of any such confidential or proprietary information or trade secrets, each shall obtain the written approval of the other. Neither Owner nor Consultant shall use the specification or other materials produced under this Agreement for any purpose beyond the scope of this project, without prior written agreement of the other.

C. Quality





Consultant warrants that the Services it performs under this Agreement will be performed with the care and skill ordinarily exercised by reputable members of its profession practicing under similar conditions during the period of this Agreement and in the same or similar locality.

2. Payment for Services

- A. Invoices will be submitted monthly for services performed during the previous month.
- B. Payments will be considered due and payable 30 days from the date of the associated invoice. If payments are not received upon becoming due and payable, interest may be assessed on the outstanding balance at a rate of the US Bank Reference Rate plus 5%, with interest accruing beginning 30 days from the original date of the invoice.

3. Indemnity & Insurance

A. Indemnity

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Owner, its agents, and employees, from all claims, losses, costs, and damages arising in any way out of Consultant's performance of work under this agreement, but only to the extent caused in whole or in part by negligent acts or omissions or intentional fault on the part of the consultant, regardless of whether such claim, loss, cost, or damage is caused in part by the Owner.

Owner agrees, to the fullest extent permitted by law, to indemnify and hold harmless Consultant, its agents, and employees, from all claims, losses, costs, and damages arising in any way out of Owner's performance of work under this agreement, but only to the extent caused in whole or in part by negligent acts or omissions or intentional fault on the part of the Owner, regardless of whether such claim, loss, cost, or damage is caused in part by the Consultant.

B. Insurance

Insurance Provided by Consultant. Before the start of its work, the Consultant shall procure and maintain in force coverage and limits of insurance for its own negligence as follows:





- (a) Employers' Liability: \$1,000,000.00.
- (b) General Liability: \$1,000,000.00 Occurrence, \$1,000,000.00 Aggregate
- (c) Automobile Insurance: \$1,000,000.00 All Owned vehicles used in connection with the services of this Agreement.

4. Limitations on Liability

- A. The obligations of the Owner under this Agreement do not constitute personal obligations of Owner or its directors, officers or agents. Consultant will look solely to Owner's assets for satisfaction of any liability in respect of this Agreement and will not seek recourse against the directors, officers or agents of Owner or any of their personal assets for such satisfaction, uCSDs there is a written agreement which makes an individual personally liable, executed by that individual. The provisions of this Paragraph 4 are not intended to relieve Owner from the performance of its obligations under this Agreement, but only to limit personal liability in the case of recovery of judgment. They do not limit Consultant's rights to obtain injunctive relief and specific performance or to maintain any other action not involving the personal liability of Owner or its directors, officers or agents.
- B. In any event, the financial liability of the Consultant for any alleged breach of this Contract, or for any tort committed in performance of this contract, shall not exceed the total contract amount due to Consultant as payment to it for services performed under this Contract.
- C. ICS shall not be responsible for the acts or omissions of any consultant, contractor or any subcontractor, supplier or other individuals or entities performing design and/or furnishing any portions of the work. ICS shall not be responsible for the failure of any Contractor to perform or furnish the work in accordance with the Contract Documents.

5. Assignment

This Agreement shall not be assigned by Consultant without prior written consent of the Owner.

6. Authorities for Action

Owner designates a responsible employee for administration and coordination of the work. Consultant designates a responsible employee to act on its behalf in any matter under this Agreement. Either party may designate in writing one or more persons to act on its behalf in any





manner under this Agreement, provided notice is given according to the provisions set forth in Paragraph 8 below.

7. Independent Contractor

It is specifically understood and agreed that at all times pertinent to this Agreement, Consultant shall be an independent Contractor and shall not be considered an employee of the Owner.

8. Notices

Any notice under this Agreement shall be in writing and shall be deemed to be properly given when delivered to an officer of Owner or Consultant or upon receipt by the other party, when mailed by registered or certified mail, postage prepaid, return receipt requested.

Either party shall have the right to designate by notice, in the manner set forth above, a different address to which notices are to be mailed.

9. Applicable Law

This Agreement shall be governed by and construed under the laws of the State of Minnesota.

10. Extent of Agreement

This Agreement represents the entire Agreement between Owner and Consultant, and supersedes all prior obligations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument, dated and executed by both Owner and Consultant.

11. Termination

This Agreement may be terminated for proper cause by either party for any reason upon thirty (30) days written notice to the other party. Upon termination, Consultant will deliver to Owner or its designee all records, documents or materials in its possession or control of Consultant which relate to the Project and for which payment has been received. If Services have been prepared for, or performed, for which payment has not been received as of the date of termination, Owner shall be entitled to purchase the products of those Services, such as records, materials and documents, for the consideration due therefore under this Agreement. If Owner does not purchase the products of these Services, Owner remains liable to Consultant for any incurred but unpaid charges for Services performed.

12. Hazardous Materials

It is acknowledged by both parties that ICS 's scope of services does not include any services related to asbestos, hazardous, or toxic materials that may be encountered or found to be





present at or in areas adjacent to the site. Any such materials that are encountered shall be immediately brought to the attention of the Owner, who will be solely responsible for any required abatement and/or removal of the materials in full compliance with applicable laws and regulations.

