

GENERAL SERVICES COMMITTEE
July 5, 2011

Call to Order. Chair Owens called the meeting of the General Services Committee to order at 8:00 A.M., Tuesday, July 5, 2011 in Conference Room N-1 on the fifth floor of the Rock County Courthouse-East.

Committee Members Present: Supervisors Owens, Brill, Combs, Heidenreich and Mawhinney.

Committee Members Absent: None.

Staff Members Present: Craig Knutson, County Administrator; Commander Erik Chellevoid; Randy Terronez and Nick Osborne, Assistants to County Administrator; Sherry Gunderson, Rock Haven Administrator; Dave Sudmeier, Controller, Rock Haven; Al Dransfield, Senior Buyer.

Others Present: J. Russell Podzilni, County Board Chair; Kevin Higgs and Kurt Berner, The Samuels Group; Greg Zastrow and Rich Tennessen, Eppstein Uhen; a gentleman from J.P. Cullen.

Approval of Agenda: Supervisor Combs moved approval of the agenda as presented, second by Supervisor Mawhinney. ADOPTED.

Citizen Participation. None.

Approval of Minutes. Supervisor Mawhinney requested to have the third paragraph under Update of UW-Rock County Projects on the June 21st minutes to read "... care of the maintenance of the plantings around the campus." Supervisor Brill moved approval of the minutes of June 9, 2011 as presented and June 21, 2011 with this change, second by Supervisor Heidenreich. ADOPTED.

Transfers and Appropriations. None.

Bills/Encumbrances

HCC Building Complex	\$	2,722.03
Purchasing Inventory		5,612.05
General Services		13,314.05
Glen Oaks Operations		534.17
Juvenile Detention Center Operations		24.86
Communications Center Operations		1,099.12
Adolescent Services/Guidance		75.60
Jail Capital Improvement		142.63
Courthouse Facility		4,955.00
U-Rock Expansion		25,205.00
Jail/HCC Complex		6,878.77
Juvenile Detention Center Capital Improvement		324,450.00
Rock Haven Project		9,870.00

Pre-Approved Encumbrance Amendments

Tri-North Builders	\$ 677.75
Tri-North Builders	2,126.36

Supervisor Mawhinney moved approval of the above Bills, Encumbrances and Pre-Approved Encumbrances for the General Services Committee, second by Supervisor Combs. ADOPTED.

Discussion and Possible Action – Rock Haven Facility Project Bidding – Multiple Prime Contractors. Mr. Berner said, regarding the HVAC, he had confirmation of the numbers. The first numbers they had received was the \$8 million, the second numbers came in at \$6.5 million, and the third came in at \$7 million. Mr. Berner said he feels the \$7 million is a good number for the HVAC. This should be a very cost efficient system. Because of the soils they would need to go with more wells at a depth of 120 feet. We will need to look at what the payback will be at the bid phase.

Mr. Berner said that The Samuels Group has worked with both single and multiple primes and have had issues with both. The number of multiple primes would be determined by the major categories (i.e. electrical, plumbing, etc.). If we would go with one general contractor they would hold all the other contracts. With multiple primes we may see more local contractors bid because they may feel they would be able to participate because you can break it down to smaller projects. The problem with this is it can cause more confusion and problems. With a single prime you can go with that contractor and tell them to take care of the problems. With the multiple primes you would have to deal with the squabbles. Mr. Berner said he would not suggest multiple primes unless you would have one person handling everything, such as a construction manager. Mr. Berner said they have made provisions that they can modify their end with no additional cost because he and Mr. Terronez had already discussed this possibility. If we would go with multiple primes he would like for The Samuels Group to be described as the disbursing agent. The contractors usually will look at who is paying the bills and go to them for resolving problems. Mr. Berner said they are open to either way we would choose.

Mr. Tennessen said both methods have their pluses and minuses. They prefer the single prime and could work on a bidding form where the contractors would have to be listed. Mr. Tennessen added that he did not know if there would be any difference in the locals applying between the two methods.

Mr. Knutson said he tends to think that a single prime is the way to go. He added that ultimately the County holds the contracts whichever way the Committee decides. Mr. Knutson said he has worked with both single and multiple primes and he did not feel that the finger pointing with the multiple primes was worth it.

Chair Owens read Mr. Leu's letter, attached, with his recommendation to bid the project as a single prime contract.

Supervisor Combs said he has worked with multiple primes and they have been a headache.

Supervisor Brill agreed and added that the multiple primes seem to drag out and take too much time.

Supervisor Combs moved to go with a single general contractor, second by Supervisor Brill. ADOPTED.

Updates.

Jail Project

Update Report Mr. Higgs reported on the following:

Safety/Use of Site: No incidents or injuries.

Progress/Planned Activities: Mr. Higgs said the demolition is going smoothly, they are waiting on Potter Lawson for the punch list, and the CMUs and pre-cast are 80% complete.

Change Orders Mr. Higgs said Change Order #26 is on hold as he would like them to take check on a couple items.

Orders Mr. Higgs went over the Program Request for the Change Order:

Program Request #027 (COR#104) pertaining to the glazing at the existing pods for a total cost of \$25,618.31. Mr. Higgs handed out a diagram of one of the pods and explained what was being done. Supervisor Brill asked if the glass being taken out could be saved. Commander Chellevoid replying they could if they were in good shape, otherwise they would be used for SWAT training.

Supervisor Brill moved the above Program Request and Change Order Request totaling \$25,618.31, second by Supervisor Combs. ADOPTED.

Resolution

Awarding Contract for the Andrews/Williams Exterior Painting Project at UW-Rock County

“NOW, THEREFORE, BE IT RESOLVED by the Rock County Board of Supervisors duly assembled this ____ day of _____, 2011, that a contract for the Andrews/Williams Exterior Painting Project be awarded to Sutterlin Restoration of Janesville in the Base Bid amount of \$48,500.00; and,

BE IT FURTHER RESOLVED, that a contingency in the amount of \$4,000.00 be established to cover authorized change orders.”

Supervisor Brill moved to approve the above resolution, second by Supervisor Combs. ADOPTED.

Communications and Announcements. Supervisor Mawhinney asked about the two items, Courthouse signage and meeting held on the weekends, requested for this meeting from the previous meeting. Ms. Bondehagen said Mr. Leu was on vacation this week and they would be on the next agenda.

Adjournment. Supervisor Combs moved adjournment at 8:50 A.M., second by Supervisor Brill. ADOPTED.

Respectfully submitted,

Marilyn Bondehagen
Confidential Administrative Assistant

NOT OFFICIAL UNTIL APPROVED BY COMMITTEE.

Rock County, Wisconsin

51 South Main Street
Janesville, WI 53545



General Services

- Facilities Management
- Maintenance
- Duplicating
- Central Stores

(608)757-5518

To: The General Services Committee
Fr: Rob Leu, GS Director
Date: 6/30/11
Re: Single or Multiple Prime Contracts

I wanted to weigh in on the discussion to solicit single or multiple prime bids for the Rock Haven Project. When I became GS Director back in 1981, the Cultural Center project at UW-Rock was underway, and was a multiple prime project. This was my first project as owner's rep for the County. Just as I had learned in school, multiple prime contracts can be problematic. The infighting and finger pointing between the primes was continuous. There were three superintendents over the course of the project. One superintendent even had a heart attack during a job meeting, and a fist fight had to be stopped at another. Delays caused by one contractor resulted in increased costs by another. Warranty issues had to be coordinated with several subs.

After that experience, the County went with single prime contracts. Not all problems went away, but the GC was ultimately responsible for coordinating all the trades. The GC, Architect, and Owner all had specific responsibilities and it worked. Over the years, projects have become more complex, profit margins have decreased, and coordination is a must to bring the project in on time.

Yes, there are some prime sub contractors that do not like bidding to a GC, if the GC has a reputation for getting subs to lower prices in order to get the work. The thought that more local bids will be received if we go multiple prime is questionable. Many subs have gone out of business, or have moved out of Rock County and cover multiple markets.

As indicated above, coordination is critical. Having one point of coordination has obvious advantages. Yes, the owner pays for that service, but in multiple prime situations another firm needs to be hired and paid for the service. On multiple prime projects, finger pointing can lead to delays, and additional cost. Another issue is owner purchase. Most GC's now have sub-companies that handle the owner purchase items, saving the sales tax. Ordering, delivery, and warranties must be carefully coordinated so that the work can proceed as scheduled. If the prime subcontractors cannot do owner purchase, the savings isn't realized.

Attached are some random articles on single versus multiple prime contracts. My recommendation would be to bid the project as a single prime contract.
Thank You

CHAPTER XI SEPARATION OF CONTRACTS

Introduction

Passage of Section 1155m of Act 27 of the 1983-85 Biennial Session amended §66.29(6), Wis. Stats., which is applicable to construction procurement of various jurisdictions, and permits a new option to municipalities. The former law mandated separate contracts for plumbing, electrical and heating and ventilating. Thus, for a given project that involved anything other than fundamental public works (streets and sidewalks and pipes in the ground), a municipality ended up with several contracts. As noted above, this separation is now discretionary. This brief chapter will focus on the pragmatic considerations with the thought that municipal officials should make an informed choice.

SINGLE PRIME SYSTEM

The single prime system, of course, means a contract with a single contractor who is responsible to the owner for all aspects of contract performance, irrespective of how much or how little is performed by subcontractors. In addition to the single point of responsibility, the owner electing the single contract system unequivocally assigns the responsibility for coordinating various trades to the prime contractor.

MULTI-PRIME SYSTEM

In the multi-prime system, the owner enters into two or more contracts to accomplish the same project. The frequently-touted advantage of the multi-prime system is hard dollar cost savings, since each of several contractors is bidding directly to the owner. In addition to eliminating subcontractor bid contingencies for bid shopping, it has been noted that prime contractor mark-ups on subcontractor prices are eliminated. However, this

benefit has its price--the need to coordinate the work and schedule of the various contractors. This is one of the things that is included in the prime contractor's price under the single contract system.

Given that scheduling and coordination is not going to happen spontaneously and that it is a valuable service, the owner electing the multi-prime method had best be prepared to meet the need to coordinate the contracts and be prepared to referee disputes between contractors. It is felt very strongly that coordination cannot be accomplished by simply putting general admonitory provisions regarding mutual cooperation in the contracts.

The use of the multi-prime system can have an adverse monetary impact on the owner, because it has been held in a number of jurisdictions, including Wisconsin, as a breach of the owner's duty. Failure to properly coordinate multiple contractors is a breach of the owner's duty to cooperate with and not injure, interfere with, or otherwise disrupt, a contractor's performance. Breach of this duty by an owner entitles a delayed contractor to damages.

[FindArticles / Business / Daily Reporter \(Milwaukee\) / Apr 22, 2004](#)

U of Wisconsin, Building Commission reach agreement

by Jeremy Harrell

Comments

For at least one project, state building staff, general contractors and subcontractors have reached an agreement on the growing debate over single- and multiple-prime bidding on state jobs.

The University of Wisconsin-Madison had requested a bidding waiver to hire a single-prime contractor for the construction of the \$46 million mechanical engineering building. The state Building Commission had initially blocked the waiver request but ultimately granted the authority on the condition that state building staff work out a deal with general contractors and subcontractors over the provisions of the project's bidding documents.

Following a round of negotiations, the Division of State Facilities is planning to modify the bid documents to require general contractors to submit at least one piece of information not normally included in bid proposals. Under the terms of the agreement, general contractors must append a list of all of its major subcontractors, though generals won't have to include the bid figures those subcontractors submit.

Failure to include the list of subcontractors will disqualify a general contractor's bid.

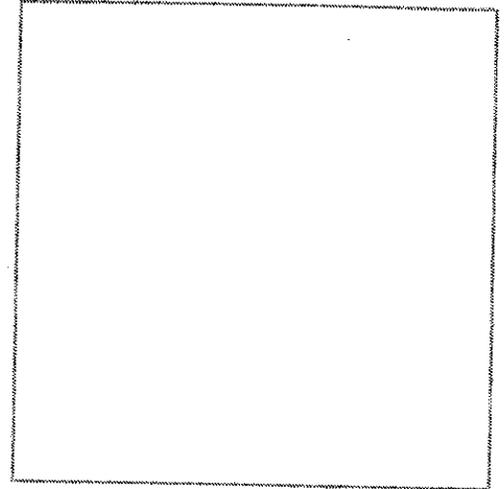
I think it's a compromise, said Robert Cramer, Division of State Facilities administrator and the State Building Commission secretary. Nobody got everything they wanted.

The deal permits the state to solicit only single-prime contractors for the project, as opposed to the multiple-prime method, required under state bidding statutes, that essentially allows prime subcontractors to bid straight to the state. The UW had pushed for a single-prime contractor because it claimed a single source of responsibility could best handle the project's unusual site conditions, which include a live nuclear reactor.

On the other hand, subcontractor groups, led by the Mechanical Contractors Association of Wisconsin, wanted to preserve the multiple-prime system, which they claim prevents general contractors from shopping subcontractor bids and otherwise undercutting subcontractor figures. By listing the names of the subs on their bid proposals, general contractors would be held more accountable, subcontractor groups and state officials said.

Ohio Ponders Elimination of Multiple Prime Construction Awards

As part of an initiative to plug an \$851 million hole in the State of Ohio's budget, the state's Construction Reform Panel has recommended elimination of a practice in which public agencies are required to hire a separate contractor for general construction, heating and cooling, plumbing, and electrical work.



The Ohio Construction Reform Panel noted that using a single prime contractor for a project could result in cost savings due to fewer lawsuits and in projects being completed faster. [Click here](#) to read the April 2009 report of the Panel.

Visit the website of the northern Ohio based [News-Herald](#) to read an editorial on Ohio's consideration of moving toward a single prime contracting model for construction.

The multiple prime contracting methodology, which is used by only a few states, is counter to trends in the construction industry toward more seamless integration of all parties in the process. This trend toward more efficient systems is characterized by what is known as Integrated Project Delivery (IPD).

Integrated Project Delivery is defined as a "project delivery approach that integrates people, systems, business structures and practices into a process that collaboratively harnesses the talents and insights of all participants to reduce waste and optimize efficiency through all phases of design, fabrication

The multiple prime contracting model also is not consistent with principles embedded in what is known as Lean Construction. Visit the [website of the Lean Construction Institute](#) for more information.

Multiple Prime Contracts

[Click here for information on Refinancing and Home Mortgages](#)

Under the Multiple Prime Contracts system,

the owner contracts directly with several contractors rather than with a single prime contractor.

Single Contract System.
For example, the owner may contract directly with the major specialized trades such as:

- the electrical contractor
- the plumbing contractor
- the heating ventilating and air conditioning contractor
- and the contractor for construction of the building itself.

Advantage of the Multiple Prime Contracts system

This system can result in lower cost to the owner because it avoids the compounded profit and overhead margins that are common to the single contract method.

The multiple contract system may also permit the owner to divide the work into smaller packages.

This permits more firms to bid for the work.

This increased competition may result in lower prices.

Potential disadvantage

There are also disadvantages to the multiple contract system.

As the construction cost estimator, more time and expense may be required in receiving separate bids or negotiating separate contracts.

Someone will have to coordinate the work of the various contractors and form the construction terms.

This may be done by the owner himself, the design professional, a construction manager or the contractor who is constructing the building structure.

As the construction cost estimator, the owner must determine the cost that will be incurred in connection with the coordination work.

A second disadvantage is that the lines of responsibility and accountability under multiple contracts is less clear than a single contract system.

A contractor who performs his work late may assert that this delay was caused by another contractor.

When defective work is the issue, a contractor may claim that his work was proper when he performed it, but that another contractor's work caused the problem.

In any event, the owner (or his design professional) who is responsible for the construction project management must coordinate a solution to these competing claims under the multiple contract system.

Had there been only a single contract, the prime contractor would be responsible for construction management.

He would be required to resolve the problems since the contractor would be responsible for the work of his subcontractors.