

MEMO

Date: March 20, 2013

To: **Tom Molbeck, Director PRCS**

From: Robert Rafel MBA, Parks & Facilities Specialist

RE: Deferred PS & L Committee, Agenda Item 13-8628 – Absolute Mechanical & Plumbing LLC.

Tom,

The minutes of the PS & L Committee reflect the request to waive formal bids for the service contract for Absolute Mechanical & Plumbing LLC has been deferred until the March 25, 2013 meeting.

I have put together some information which may answer some of the questions that could not be answered at the February 25th meeting.

1. Why Absolute Mechanical & Plumbing?

- a. Absolute Mechanical & Plumbing LLC is the contractor that installed and rehabbed the existing fountain in 2011 & 2012. The contractor's intimate knowledge of the mechanical system will allow for the shortest time troubleshoot & repair any mechanical issues with the fountain mechanical systems.

2. Why waive bids?

- a. Absolute Mechanical & Plumbing LLC has the last portion of the original construction warranty remaining, which is the 2013 fountain start-up. The fountain start-up and operation in the early portion of the season may cause issues with multiple contractors attempting to do the similar or the same tasks. Maintaining the contractual relationship with the existing contractor will be more economical.

3. Can other contractors do similar work?

- a. Yes. The bid specifications call for a Wisconsin Licensed Plumber as the Contractor. A new plumbing contractor will have a learning curve due to the complexity and uniqueness of the fountain and filter equipment. The time associated with the learning curve could cost the city more down-time & additional labor cost for repairs.

4. Cost & Cost Controls?

- a. It is always in the best interest of the City of Racine to control future costs. Absolute Mechanical & Plumbing LLC has offered to maintain 2012 monthly fees until November of 2016 unless *"out of the ordinary expenses are incurred."* Absolute has also dropped the Overtime; Weekend & Holiday repair rates by 33% to \$90.00 per hour. They also dropped the Material Cost mark-up by 13% to 13% over invoice cost. The fixed and lower premium labor rates will provide the opportunity to control costs for the next 3 annual budgets.

I have attached the 2012 & 2013-16 quotes from Absolute Mechanical & Plumbing LLC. I plan on attending the PS & L Committee meeting on March 25th.

BIDDER'S PROPOSAL

February 2012

FOR: Water Feature Maintenance at Laurel Clark Memorial Fountain

BIDS DUE: March 15, 2012

TO: Sam J. Aiello
Purchasing Agent
City Hall, Room 103
Racine, Wisconsin 53403

NOTE: 2012 service requirements have changed.

The undersigned hereby proposes to furnish all labor, tools, equipment and all materials, except as definitively specified to be furnished by owner, ready for use, all in accordance with these specifications all as attached hereto and all of which the undersigned has examined, the following work for the compensation indicated:

- 1. Labor Cost for a Licensed Plumber, normal working hours \$ 90⁰⁰ per hour
 - 2. Labor Cost for a Licensed Plumber, Saturdays \$ 135⁰⁰ per hour
 - 3. Labor Cost for a Licensed Plumber, Sundays & Holidays \$ 135⁰⁰ per hour
 - 4. Labor Cost for a Laborer \$ 0 per hour
 - 5. Material Cost plus % markup over actual invoice cost 15% %
- NTE 23,175⁰⁰**

FIRM: ABSOLUTE MECHANICAL

BY: MICHAEL MEHEVIC

TITLE: OWNER

DATE: 2-28-12

TELEPHONE: 262 770 7298

FAX: 262 681 3891

EMAIL: MMEHEVIC@yabco.com

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February 2013

FOR: Water Feature Maintenance at Laurel Clark Memorial Fountain

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- 1. Cost of monthly service as listed in these specifications \$ 4900.00 per month FOR 5 MONTHS
SAME 2012
- 2. Additional pricing for additional mechanical and plumbing services:
 - a. Labor Cost for a Licensed Plumber, normal working hours \$ 90.00 per hour *SAME 2012*
 - b. Labor Cost for a Licensed Plumber, Saturdays \$ 90.00 per hour *33% L 2012*
 - c. Labor Cost for a Licensed Plumber, Sundays & Holidays \$ 90.00 per hour *33% L 2012*
 - d. Labor Cost for a Laborer \$ 0 per hour
 - e. Material Cost plus % markup over actual invoice cost 13.0 % *13% L 2012*

FIRM: ABSOLUTE MECHANICAL

BY: MIKE METEVIC

TITLE: OWNER

DATE: 2-6-13

TELEPHONE: 2627707298

FAX: 2626813841

EMAIL: mmetevic@yahoo.com

ABSOLUTE MECHANICAL & PLUMBING LLC

Date: 2-7-13

To: CITY OF RACINE - FOUNTAIN

Fax:

Attn: ROBERT RAFFEL

Re: PRICING FOR THE NEXT (3) YEARS TO REMAIN THE SAME.
A YEARLY REVIEW MAY BE REQUIRED IF OUT OF THE ORDINARY EXPENSES ARE INCREASED.

PRICE: 4900.00 / MONTH FOR 5 MONTHS

ACCEPTED: The above price, conditions and specifications are satisfactory and are hereby accepted. You are authorized to the work as specified per plan.

Accepted By: _____ Date: _____

Respectfully submitted by:
Mike Mehevic Sr.

Absolute Mechanical & Plumbing LLC

3619 River Bend Drive Racine, WI 53404 mmehevic@yahoo.com Phone: (262) 770-7298 Fax: 262-881-3891