

City Council Agenda Memo

From: Ashley Rentsch, Senior Finance Manager
Pete Bolzer, Fire Chief

Council Meeting: March 28, 2023

Subject: Resolution 23-026: Change Order No. 1, for Multi-Stack Fire Training Facility for the Brookings Fire Department; Fire Training Structures, LLC.

Presenter: Ashley Rentsch, Senior Finance Manager

Summary:

The Multi-Stack Fire Training Facility for the Brookings Fire Department is nearing completion. This change order increases the contract amount by \$21,036.27, for a total of \$516,007.27 based on an agreement between the City and the vendor, Fire Training Structures, LLC, to split the cost of South Dakota State Use Tax on public improvements, which was not included in the original bid.

Background:

In May 2022, the City Council approved Resolution 22-043 to award the bid of \$494,971 from Fire Training Structures, LLC for the purchase, delivery, and construction of a Multi-Stack Fire Training Facility for the Brookings Fire Department. The vendor, Fire Training Structures, LLC, had not done business in South Dakota prior to this project and was unaware of a State Use Tax requirement for public improvements that would add \$42,072.54 to the project costs. The City agreed to pay for half of this tax. The project is expected to be completed within the budget of \$590,000, even with the consideration of this additional cost.

Item Details:

Recommended Change Order:	
Original Contract Price:	\$494,971.00
Portion of Use Tax:	<u>21,036.27</u>
Adjusted Contract Price:	\$516,007.27

Legal Consideration:

None.

Strategic Plan Consideration:

This action supports fiscal responsibility by promoting transparency and compliance with tax laws regarding large projects. It also supports innovation and service excellence by ensuring that this fire training facility is completed and available for Fire Department members to increase knowledge and experience.

Financial Consideration:

This change order increases project costs by \$21,036.27. However, this is still within the original project budget of \$590,000.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / table

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Memo

Resolution