Council rejects all bids for plaza

PROJECT DELAYED: Main Street Square’s opening pushed back to the end of next tourism season.

By Emile Rusch
Journal staff

The Rapid City Council has rejected all three bids for the construction of Main Street Square, a turn of events that will likely delay the downtown plaza’s grand opening until the end of the 2011 summer tourism season.

Bids for the public-private project came in almost $1 million higher than estimates, in part because of the high cost of winter construction and certain specialty materials, such as granite the city had requested, city and project officials said. The original bid documents had asked contractors to meet a Memorial Day completion date, but with the city council’s action Monday, construction will probably not begin before December and will span most of summer 2011.

“‘The best I can say is I know we have a 2011 opening,’” said Dan Senftner, president of Destination Rapid City, the nonprofit economic development group that proposed the project.

“We’ve been slowed down by a lot of things. But a little slowdown isn’t so bad.”

The $6.5 million project is being funded by $3.5 million in city Vision 2012 funds and $3 million in private donations. The total cost is split into two parts — $4.5 million for site construction and $2 million for specialty equipment and infrastructure. The plaza’s ongoing maintenance will be funded by the downtown Business Improvement District, a special tax district approved by voters in June.

Of the three competitive bids received for site construction, none came in under the engineer’s estimate of $4.5 million. Instead, they ranged from $5,453,000 to $6,749,700, leading to the city council to reject them at the request of Destination Rapid City.

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SQUARE: Any cost overruns must be paid by private funding.

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Senftner has committed to not asking for any more public assistance for the project, and any cost overruns will be covered by private funding, according to an agreement with the city.

To bring bids back into line, the revised documents will factor in a longer, nine-month construction window and more alternates for the priciest materials, said Pete Andriot, a Louisville, Ky.-based associate of Rundell Ernstberger Associates, the project’s lead architect.

“We’ve made some significant cuts to the base bid scope and also allowing them to work through the summer should have a positive effect on the number,” Andriot said.

“One of the biggest issues with the previous bids was just the winter construction,” he said. “Everyone was eager to have the project open and ready for summer, but it really didn’t leave enough time to get everything coordinated in the ground.”

Jim Scull, owner of J. Scull Construction, one of the three bidders, said winter construction projects present a number of challenges that have to be factored into bids, especially given the weather in western South Dakota. In the first ground, Scull Construction came in with the high bid of $6,749,700.

“You hate to start a project of that magnitude and type on the 15th of November,” Scull said. “The major part of it under the ground has to be built at the worst possible time.”

During the winter, extra crew time has to be spent either making sure the ground never freezes or removing the frozen soil every day, not to mention the added cost of ground heaters and concrete additives, Scull said. Production is also slower when it is 10 degrees outside.

“It might go great. It might stay like this. But it might not. By next week, it could be five below,” Scull said. “You just don’t want to bet on that.”

Public Works director Robert Ellis said winter construction can easily add a couple hundred thousand dollars to city projects.

With a late summer completion date, though, Scull said contractors could focus on site demolition and peripheral work during the winter months instead of pushing to get everything done as quickly as possible.

Scaling back on some of the specialty materials could also help the bid results, city and project officials said.

Andriot said the base bid will be restructured to include more basic materials; higher quality materials will be alternates that can be added if money allows. So, in the case of the granite pavers, the base bid will feature colored concrete with the option to upgrade to bricks within certain areas.

The granite “tapestry stones,” which will be carved as public art pieces at a later date, may also have to be scaled back, given their cost, Andriot said. Some estimates had the granite pieces at about $2 million of the total project cost, Ellis said.

But Senftner said all of the plaza’s signature items, including the interactive fountain, ice rink, public restrooms and stage, will remain intact.

“It’s still going to be very fabulous,” Senftner said. “It’s just some small things that we may not be doing.”

The revised project will be re-advertised on Saturday and Oct. 30, Senftner said, with the new construction documents available to the public on Monday. Bids will be opened Nov. 19, and the city council likely will choose one at its meeting the following week.

Mayor Alan Hanks said given the delay caused by the public referendum on the downtown Business Improvement District in June, it should not come as any surprise that a Memorial Day deadline could not be met. That does not mean the city won’t get a quality project, though.

“It’s going to get done. Everyone is absolutely committed to doing it, but we’re also committed to doing it in a fiscally responsible way,” Hanks said.

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