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CHAIR:
Finance & Personnel Committee
Milwaukee Arts Board

MEMBER:
Judiciary & Legislation Committee
Steering & Rules Committee
Zoning, Neighborhoods & Development

Wed, May 11, 2005

To: Mr. Jeffrey Mantes, Commissioner
Department of Public Works
Room 516 – Zeidler Municipal Building

From: Ald. Willie Hines, Common Council President
Ald. Michael Murphy, Chair, Finance & Personnel Committee

Re: **CITY HALL RESTORATION PROJECT**

Dear Commissioner Mantes:

The City Hall Restoration Project is the largest single capital improvement project in the City of Milwaukee's history. The Department of Public Works has estimated the total cost of the project to be \$70 million, and the City has until May 24 – just 9 more working days – to determine whether to award the bid to the low bidder or to reject both bids. Should the low bidder be selected, the Common Council must also swiftly determine the appropriate means of funding the remaining balance necessary beyond existing funds allocated for the project in the capital budget.

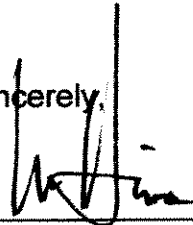
As Commissioner of Public Works, your personal input and insight into this restoration project would be helpful to Common Council members as we determine how the City should proceed. Please respond to the following questions in writing; feel free to add any additional information which you may deem to be of use to Council members in our deliberations.

1. Your estimate of \$70 million includes \$6 million (10% of the low bidder's estimate of \$60 million) for contingencies and \$4 million for "soft costs" including City staff time, relocation of the City Attorney's Office, etc. What is the basis of your estimate for contingencies and soft costs?
2. How are contingencies estimated for large capital projects of this size? Does DPW have a formula or method for calculating funding for contingencies in construction projects?

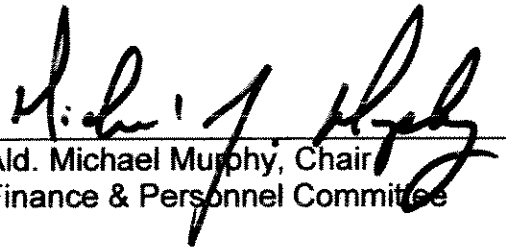
3. Due to the fact that extensive exterior restoration, as well as some interior repair work, will negatively impact the working environment for the City Attorney's Office, does your estimate for contingencies include relocating staff within the City Hall complex or moving the entire City Attorney's Office offsite to a non-city owned facility? What have you estimated as the cost related to either of these two options?
4. In your estimation, should the City award the bid to the low bidder, or reject both bids? The 2 bids were about \$4 million apart in terms of total cost (\$60 million vs. \$64 million). Aside from the Cullen bid being \$4 million lower than the Hunzinger bid, is either bid more attractive or compelling to you if price was not the sole determining factor in selection of the bidder?
5. In the interest of potential cost savings, have you explored options other than accepting the low bid, such as a design/build concept? In lieu of accepting the low bid at this time, what would be your recommendation for this project?
6. Due to climactic conditions in Wisconsin, in your estimation is it truly feasible that the City Hall Restoration Project can be completed by September 2007 as set forth in the City's bid document time schedule?

Thank you for your cooperation.

Sincerely,



Ald. Willie Hines, Common Council President



Ald. Michael Murphy, Chair
Finance & Personnel Committee

cc: Marianne Walsh
Mayor Barrett
mjm.mantes.chr.project