

November 30, 2009

Barry Swanson
 Director of Purchasing & Strategic Sourcing
 KU Purchasing Services
 University of Kansas
 1246 W. Campus Road
 Lawrence, KS 66045

Dear Barry:

Based on the following rationale, the Procurement Negotiating Committee for RFP 87147 – Design and Build of the Transit and Maintenance Building, recommends that a contract be awarded to the ADVANCO Group for the Purchase Option contingent upon approval of KBOR and any subsequent agreement between the University and the City of Lawrence. This was the lowest cost proposal meeting all required specifications and we believe is in the best interest of the University. This recommendation is for the Base Bid plus alternates Fueling Station, Bus Wash, and Expanded Transit Building.

The following considerations were reviewed for each of the finalist sites, ADVANCO's Timberedge Site, Treanor's Riverside Site, and Treanor's King Site:

1. Cost.

The Advanco cost proposal met all specification requirements and was within the University's initial cost estimate of \$6,500,000, totaling \$4,756,728 which is subject to further negotiations.

A summary of the cost proposals from the three finalist sites are as follows. These indicate that Advanco submitted the lowest cost proposal, which includes the Base Bid plus chosen alternates.

Advanco / Timberedge Site

Purchase Option Base Bid:	4,162,891	Includes Sales Tx
Purchase Option Base Bid:	4,075,891	Includes NO Sales Tx
Alternates:		
Bus Wash Includes Sales Tax	282,515	Includes Sales Tx
Bus Wash Includes NO Sales Tax	269,914	Includes NO Sales Tx
Fueling Station Includes Sales Tax	161,761	Includes Sales Tx
Fueling Station Includes NO Sales Tax	154,562	Includes NO Sales Tx
Canopies for Service Vehicle Parking Areas	1,020,236	
Expanded Transit Building - Includes Sales Tax	149,560	Includes Sales Tx
Expanded Transit Building Includes NO Sales Tax	145,360	Includes NO Sales Tx
	With Sales Tx	W/Out Sales Tx
Base Bid Plus Bus Wash, Fuel Station, Expanded Transit Building Alternates:	\$4,756,728	\$4,645,727

Treanor/Riverside Site

Purchase Option Base Bid:	6,325,918	Includes Sales Tx
Purchase Option Base Bid:	6,205,152	Includes NO Sales Tx
Alternates:		
Bus Wash Includes Sales Tax	386,181	includes Sales Tx
Bus Wash Includes NO Sales Tax	375,029	Includes NO Sales Tx
Fueling Station Includes Sales Tax	233,920	Includes Sales Tx
Fueling Station Includes NO Sales Tax	226,432	Includes NO Sales Tx
Canopies for Service Vehicle Parking Areas	705,942	
Expanded Transit Building - Includes Sales Tax	306,288	Includes Sales Tx
Expanded Transit Building Includes NO Sales Tax	298,031	Includes NO Sales Tx
	With Sales Tx	W/Out Sales Tx
Base Bid Plus Bus Wash, Fuel Station, Expanded Transit Building Alternates:	\$7,252,307	\$7,104,644

Treanor/King Site

Purchase Option Base Bid:	6,347,773	Includes Sales Tx
Purchase Option Base Bid:	6,222,858	Includes NO Sales Tx
Alternates:		
Bus Wash Includes Sales Tax	397,075	Includes Sales Tx
Bus Wash Includes NO Sales Tax	385,538	Includes NO Sales Tx
Fueling Station Includes Sales Tax	252,164	Includes Sales Tx
Fueling Station Includes NO Sales Tax	244,031	Includes NO Sales Tx
Canopies for Service Vehicle Parking Areas	705,942	
Expanded Transit Building - Includes Sales Tax	306,288	Includes Sales Tx
Expanded Transit Building Includes NO Sales Tax	298,031	Includes NO Sales Tx
	With Sales Tx	W/Out Sales Tx
Base Bid Plus Bus Wash, Fuel Station, Expanded Transit Building Alternates:	\$7,303,300	\$7,150,458

2. Adequacy & Completeness of Proposal.

Advanco/ Timberedge Site: Proposal was adequate and complete. Advanco used ASHRAE 90.1 + 30% as per specification requirements and included many sustainable construction and green initiatives. Advanco submitted costing for a basic building as per specification requirements.

Treanor/Riverside & King Sites: Proposal was adequate and complete. Treanor used ASHRAE 90.1 + 30% as per specification requirements but did not mention as many sustainable initiatives in their base proposal.

3. Ability to meet the identified schedule and requirements of the identified building alternates and/or options as applicable.

Advanco/ Timberedge – Advanco schedule meets RFP requirements. The metal building proposed by Advanco can be constructed in adverse winter weather conditions more easily than other construction building types.

Treanor/ Riverside & King Sites: Treanor schedule meets RFP requirements, but seemed to be vague on their timeline.

4. Location of the site in relation to the University and City transit service areas and safe access to major streets.

Advanco/ Timberedge Site: This site meets all requirements. The City of Lawrence Public Works sees no constraint on vehicle movement and no undue burden on signalization of traffic to and from this site. There are no residential properties located within a one-half-mile radius of the project site.

Treanor/ Riverside Site: This site meets all requirements and is not adjacent to residential development.

Treanor/ King Site: With the uncertainty of the KDOT Development & Re-Aligning Haskell Street this location could experience delays in development. There are also residential neighborhoods adjoining which could cause potential issues with routing high volume bus traffic in and out of the location.

5. Sustainable initiatives within the proposal and inclusion of specific information detailing such.

Advanco/ Timberedge Proposal included many sustainable construction and green initiatives.

- Implementation of an Erosion and Sediment Control Plan for all construction activities which will prevent soil loss and erosion during construction and leave the sedimentation of receiving storm sewers and streams.
- Bioswales to capture storm water volumes from surface runoff are also included in this design.
- Concrete paving will surface more than 50% of site hardscape to reduce heat island effects. Grey Concrete has a higher solar reflectance index than asphalt.
- The building will have a white metal roof, which controls heat island effects and protects the microclimate and can potentially reduce HVAC cooling loads.
- Site lighting and building exterior lighting will be designed to minimize light trespass from the building and site, which will help prevent light pollution.
- There is also a recycling center planned for five major recyclable products: glass, plastics, office paper, newspaper, and cardboard.
- A construction waste plan will be executed to divert recyclable waste from landfill to salvage / recycle centers in the region.

- Project specifications will target materials that include a percentage of recycled content in concrete mix, structural and finish steel components, and finish materials.
- When possible materials sourced will be purchased regionally to minimize the carbon footprint associated with transport.
- The lighting systems in the indoor occupied space will include occupancy sensors that turn lights off when spaces are unoccupied.
- Windows will be located in occupied spaces on the perimeter of the building to provide daylight.

Treanor/ Riverside and King Site: LEED Certification was offered for additional expense of approximately \$120,000.

6. Satisfactory condition of the proposed site and/or existing buildings. University and City or their agents reserve the right to tour the site and/or all existing facilities proposed for use, if any, to determine the condition of the facilities and the adequacy of the proposed improvements to be made.
 Advanco/ Timberedge Site: Satisfactory.

Treanor/ Riverside & King Sites: Satisfactory.

7. Vendor terms of the purchase, lease or lease/purchase proposal

Advanco terms indicate that payment is due upon completion and issuance of a Certificate of Occupancy by the City of Lawrence. Interest will be 12% on any unpaid balance. Advanco will assign all warranties to the University of Kansas, upon full payment of the purchase price.

Treanor/ Riverside & King Sites: Treanor indicated at the time of their presentation on 11/9/09 that they would need a Letter of Intent to proceed with this project and a negotiated contract to later be signed. Actual vendor terms were not included in the proposal.

8. Vendor's Understanding of the project.

Advanco/ Timberedge: Advanco was the only bidder that designed a Bus Wash that was connected to the main building, which integrates greater efficiencies into the operating system. They took into consideration the counterclockwise movement requirement of the buses. They presented themselves as a very cohesive team.

Treanor/ Riverside & King Sites: Understanding of project seemed adequate.

9. Compliance with the terms and conditions of the Request.

Advanco/ Timberedge -- Advanco complied with terms & conditions.

Treanor/ Riverside & King Sites: Treanor complied with terms & conditions.

10. Vendor's experience in providing like services.

Advanco has or is currently working on University of Kansas projects, such as the Library Annex and the Chancellor's Residence.

Treanor & 1st Management recently built the University Boat House; they have completed several On Call contracts, the Tunnels, and others.

11. Vendor's methodology to accomplish tasks.

Advanco's timeline is very realistic. They have a strong Safety Program and run a very clean operation, based on the University's prior experience.

The Treanor timeline is acceptable, but there may be some unforeseen time constraints for the proposed Tilt Up concrete and other exterior finishes.

12. Response format as required by this Request.

Advanco/ Timberedge Site: Response format was acceptable.

Treanor/ Riverside & King Sites: Response formats were acceptable.

Additional comments on Alternates:

Fueling Station:

University buses are currently fueled at the Motor Pool station located on West Campus. This fueling station was not designed to accommodate bus fueling and even though modifications have been made the fueling speed is slow and at times 10 buses and drivers are in the fueling line. This wait time results in unproductive labor costs, fuel costs, and wear and tear on the buses.

In addition, since the new building will be located at 1200 BLK#2 Timberedge Road, use of the West Campus fueling station would result in additional deadheading to the fueling station as well as deadheading to the maintenance building which is a modestly increased distance from the Transit Maintenance building which would be utilized. A central fueling building would allow drivers to drop buses while a dedicated hourly technician could take responsibility for all bus fueling. Our service provider estimates that currently as much as 15% of revenue time is associated with not delivering service. The industry standard calls for time spent on non-delivery of service at a rate less than 10%. This will bring it closer to that standard.

Excess Personnel Cost for Fueling Time, Fuel and Maintenance - 2008*							
	Service Days	Avg. Driver Hourly Rate	Excess Fueling Hours/Day	Excess Driver Cost	Gallons Fuel/Hour	2/1/2010** Fuel Price	Excess Fuel Cost
January	13	\$12.64	7.13	\$1,171.60	3.5	\$2.61	\$846.72
February	20	\$12.64	7.13	\$1,802.46	3.5	\$2.61	\$1,302.65
March	16	\$12.64	7.13	\$1,441.97	3.5	\$2.61	\$1,042.12
April	21	\$12.64	7.13	\$1,892.59	3.5	\$2.61	\$1,367.78
May	12	\$12.64	7.13	\$1,081.48	3.5	\$2.61	\$781.59
June	0	\$12.64	7.13	\$0.00	3.5	\$2.61	\$0.00
July	0	\$12.64	7.13	\$0.00	3.5	\$2.61	\$0.00
August	10	\$12.64	7.13	\$901.23	3.5	\$2.61	\$651.33
September	21	\$12.64	7.13	\$1,892.59	3.5	\$2.61	\$1,367.78
October	21	\$12.64	7.13	\$1,892.59	3.5	\$2.61	\$1,367.78
November	17	\$12.64	7.13	\$1,532.09	3.5	\$2.61	\$1,107.25
December	14	\$12.64	7.13	\$1,261.72	3.5	\$2.61	\$911.86
	165			\$14,870.33			\$10,746.87

Excess Hours	Excess Fueling Hours/Day	Maintenance per Hour***	Excess Maint. Cost
165	7.13	\$7.66	\$9,011.61

ANNUAL SAVINGS	
Excess Personnel	\$14,870.33
Excess Fuel	\$10,746.87
Excess Maintenance	\$9,011.61
Total Cost Savings	\$34,628.81

Bus Wash: By keeping our buses clean we project a positive image for the University. In addition, a clean undercarriage extends the life of a bus. Currently the University pays our service provider to hand wash all buses, which takes approximately 30 minutes each. A Bus Wash will allow the University to increase the bus washing service.

Expansion of Building: The additional two maintenance bays will allow maintenance staff more flexibility to work on both preventative maintenance and major bus repairs in house rather than sending all major repairs to other shops. This will reduce overall maintenance costs. The cost of a later building expansion will be considerably more expensive than doing it now.

The following proposals were not considered for reasons listed below:

J&J Development proposed site is in a flood plain and did not meet specifications.

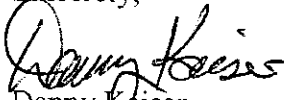
Southwind/ Fairfield Investors proposed site did not meet the required 8 acres. It only includes 6.5 acres and is short by approximately 18.75%. This site also did not meet the requirement that the site must be located where traffic controls are in place to facilitate movement of large numbers of buses into and out of the site, regarding traffic entering and exiting K 10. Another requirement of this site would be a 250' extension of a road that would mean obtaining additional permits which would cause further delay of the project and is not acceptable.

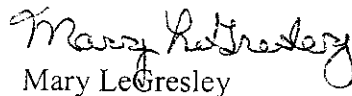
Zaremba / Zaroco did not submit a purchase option for consideration. The University's stated preference in the RFP was for a purchase option and was the direction that was finally decided upon by the PNC; therefore Zaroco's proposal did not meet requirements.


Treanor Option A, Franklin Park did not meet the requirement that the site must be located where traffic controls are in place to facilitate movement of large numbers of buses into and out of the site, regarding traffic entering and exiting K 10.

BRB Contractors submitted a proposal but no bid guaranty. The PNC was not able to consider this proposal.

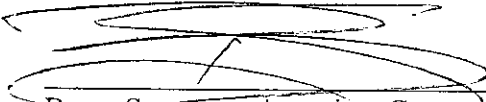
Sincerely,


Danny Kaiser
Assistant Director
Parking & Transit


Mary LeGresley
Assistant Director
Business & Financial Planning


Carla Swoyer
Buyer
Purchasing Services

Approved Disapproved



Barry Swanson, Associate Comptroller / Director of Purchasing

11/30/09

Date

cc: Diane Goddard, Vice Provost