



*Board of Supervisors of Willistown Township
Chester County*

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DATE: April 11, 2025

TO: Willistown Township Board of Supervisors

FROM: Shanna Lodge, Township Manager

Bill Hagan, Jr., Director of Public Works

Martin McKenzie, Finance Director

Robert Klinger, Chief of Police

RE: Public Works Facility Construction Recommendation

With the understanding that the Board is seeking the most efficient and cost-effective solution for the construction of the new Public Works facility, staff have prepared the following analysis of the two options before the Board for consideration: A construction contract obtained through a cooperative purchasing agreement to proceed with project designer, Gorski Engineering for a fixed price, or traditional advertisement for bids from multiple prime contractors.

Background

As you know, the Township contracted with Gorski Engineering for the professional services of development of a design proposal for a Public Works facility. Gorski Engineering was recommended to the Board for this work based upon their proven success in previous, smaller projects at the Township administration building, and work comparable to the project at nearby municipalities. Staff visited a comparable site at Limerick Township and spoke with Limerick Township staff at that site regarding the design and construction of that facility. The firm is highly recommended.

The Public Works Building is the main operational space for the Public Works department. The department staff, led by the Director of Public Works, oversees maintenance, repair, and safety of Township facilities, fleet vehicles including Police Department vehicles, roads and bridges, parks and preserves, sewer mains and pump stations, and stormwater facilities throughout Willistown Township. A safe and functional building is necessary for proper functioning of this department, the storage of supplies, and maintenance and storage of fleet vehicles and equipment to ensure proper operation and prolong equipment life. The designed building, a structural steel frame building, includes a drive through maintenance garage with twelve vehicle bays, office space for the Public Works Director, Foreman, and Roadmaster; much needed meeting space; storage space for parts and equipment; and proper bathroom and breakroom facilities. Health and safety features such as shower facilities for PW personnel who have performed hazardous work e.g., sewer trench work; ventilation systems; a sprinkler system; and a trench drain for proper reclamation of runoff are also included in the main structure.

The lump sum fixed price presented by Gorski Engineering via the Sourcewell Cooperative Purchasing program for construction of the building is \$6,590,455. Ancillary to the main building but included in the design and total fixed price are: demolition of the current buildings, removal of the underground fuel tanks, installation of a new fuel station with aboveground storage tanks, a salt shed with increased storage capacity, small equipment storage garage, necessary site work, and a stormwater management facility.

Clarifications

At a meeting of the Board of Supervisors, some commentors expressed a desire to utilize local contractors for this job. It is worth noting that Gorski Engineering is a local firm based in Collegeville, PA. Their selected provider, Butler Manufacturing, has offices throughout the country, but is located locally in Annville, PA.

There have also been concerns raised on social media declaring this cooperative purchasing contract in violation of bidding requirements or describing this as a “no-bid” contract. Please note that cooperative purchasing agreements are not a violation of purchasing regulations. A contract via cooperative purchasing is not a “no-bid contract.” The necessary bidding is conducted by the entity which vets the cooperative purchasing contracts. The Township has been a member of Sourcewell, the public procurement organization, since 2011.

Benefits of Cooperative Purchasing Agreement

Cooperating Purchasing exists to streamline public procurement to increase efficiency and lower costs. It has been a trusted method of procurement in Willistown for decades, most commonly through the COSTARS program. Cooperative purchasing eliminates the additional costs of traditional advertisement, which are further described below. A contract can be entered into with a known, firm, and fixed price.

This project in particular will require careful phasing and critical path timing to ensure that the Public Works Department can continue to function fully throughout construction; that the fleet, including police vehicles, will have uninterrupted access to the fuel station; and that emergency supplies, such as road salt, will be continuously available. Use of a single firm to manage the construction, particularly a firm which has been involved throughout the design process, will likely improve the phasing of the work.

Additional Costs of Traditional Advertisement

To put the contracts out to bid will require additional work, including creation of bid documents, advertisement, submission review, and the staff time for each of these. This will be an additional cost on top of the cost of the contracted work itself. The cost of developing engineering and bid documents for this project totals \$402,300.

Timing Impacts

Moving forward with the lump sum contract would allow the construction to begin immediately. The work could likely be substantially completed within this calendar year.

To advertise and select multiple prime contracts for this work will extend the process by several months. This will likely delay the bulk of the project into the 2026 construction season.

Traditional Advertisement Requires Multiple Prime Contracts, Construction Management

The Pennsylvania Separations Act of 1913 mandates that public construction that is traditionally advertised and bid must award separate prime contracts for various branches of the work, e.g., plumbing, mechanical, electrical and HVAC. While the intention of this stipulation is to prevent the added cost of subcontracted work, it often complicates both project management and project flow. Working with multiple prime contractors can disrupt the phasing of a project, and requires the oversight of a construction management firm, which is an additional cost. In 2016, the cost of construction management during the construction of the Willistown Township Police Building totaled \$101,685.14. Presently, the Township Engineer, Yerkes, estimates the cost of construction management to be at least 5% of the overall cost of construction. In this case, that could amount to \$250,000-\$350,000. Staff do not anticipate any need for an additional construction management firm under the lump sum proposal. In addition, the lump sum proposal contains the necessary individual contracts, each competitively bid under cooperative purchasing, as required by the Separations Act.

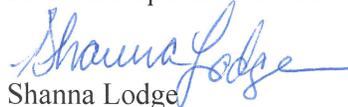
Use of multiple primes has caused issues in past public construction projects at Willistown. As the Board may recall, there were significant delays and errors during the construction of the Police Building directly related to the use of multiple primes. This resulted in costly legal action. As the Board also knows, the HVAC system at the Police Building has never worked properly and continues to require costly maintenance and repairs to this day.

Unknowns

The national and global economies are in a period of volatility, and prices are currently rising. Both options carry a degree of uncertainty. It is possible that bidding could result in a lower construction price. Of course, the price would need to be low enough to make up for the additional costs of advertisement described above. It is also possible that the price currently offered by Gorski through the cooperative purchasing agreement is the lowest that the Township will get. Given the uncertain and volatile economic forecast, the delays resulting from a traditional advertisement process, and the additional costs described above, we believe that the latter is more likely.

Conclusion

This project is necessary for the proper, safe, and continued functioning of our Public Works personnel and operations. It is also long overdue; the current building does not meet modern standards of health and safety. Given these explanations – the importance of timing and phasing, concerns about multiple prime contractors, and the expectation that the fixed price option will increase if the Board does not opt for this contract, the Township staff strongly recommend proceeding with the contract presented by Gorski Engineering. We believe it to be the most cost-effective and time-efficient option, and the best use of taxpayer money for this critical project and the continued operation of the Public Works Department.



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