

COUNCIL ACTION FORM

SUBJECT: CONSTRUCTION OF NEW WATER PLANT – CONTRACT 1, REPORT OF BIDS

BACKGROUND:

On January 5, 2015, the City Council issued a Notice to Bidders for Contract 1 of this project, which includes the interconnecting piping between the old and new treatment plant locations. On February 11, 2015 project bids were opened. The five bids received are summarized below.

Contractor	Lump Sum Bid Price
S. M. Hentges & Sons, Inc.	\$3,197,273.15
H & W Contracting LLC	\$3,840,904.00
McKinness Excavating, Inc.	\$3,997,993.75
J & K Contracting LLC	\$3,998,852.50
Carstensen Contracting Inc.	\$4,099,279.40

The allowance for Contract 1 in the authorized CIP is \$5,530,000. The engineer's Opinion of Probable Construction Cost is \$5,219,000.

These bids are very favorable to the City. Staff is still reviewing the bids to identify the bid that is in the best interest of the City and that also complies with all funding requirements. A recommendation for award will be brought to a future Council meeting. The only action requested at this time is to receive the report of bids.

ALTERNATIVES:

1. Receive the report of bids, and take no action at this time to award a contract.
2. Award a contract to S. M. Hentges & Sons of Jordan, MN in a lump sum amount of \$3,197,273.15.
3. Award a contract to another bidder.

MANAGER'S RECOMMENDED ACTION:

Staff is still completing a background and reference check on the apparent low bidder. Until that check is complete, it is not recommended that an award of contract be made.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.