

COUNCIL ACTION FORM

SUBJECT: WATER POLLUTION CONTROL FACILITY SLUDGE PUMPING BUILDING IMPROVEMENTS

BACKGROUND:

A comprehensive evaluation of the mechanical condition of the Water Pollution Control Facility was performed in 2012. The outcome of that evaluation was a prioritized schedule for the repair or replacement of key mechanical equipment associated with solids handling. The Water Pollution Control Facility (WPCF) Sludge Pumping Building Improvements Project is the final component of the Digester Improvements CIP Projects. The original scope identified in the FY 14/15 CIP included replacement of three waste pumps. Upon further investigation, there were additional improvements that staff recommended incorporating, with savings from the prior Digester Improvements CIP Projects used to cover the increased scope of work.

City Council issued a Noticed to Bidders for this project on March 9, 2021. On April 14, 2021, bids were opened. Two bids were received and are summarized below.

Bidder	Total Project Bid
<i>Engineer's Estimate</i>	\$308,000
Minturn, Inc.	\$397,400
Woodruff Construction, Inc.	\$427,300

Minturn, Inc. is the lowest responsive, responsible bidder. **However, both bids received were substantially higher than the Engineer's Estimate and the lowest bid price was 29% above the estimate.** If this low bid was accepted, the revised project expense with 10% contingency included would be as follows.

<u>Revised Project Expense</u>	
Construction	\$ 397,400
10% Contingency	\$ 39,740
Revised Project Expense	\$ 437,140

The authorized project budget is shown below. **Based on the bids received, there is a deficit of \$96,140. Because of this deficit, staff is recommending that the City Council reject the project bids.**

<u>Authorized Budget</u>	
FY 20/21 CIP	\$ 183,000
Digester Improvements CIP Savings	\$ 158,000
Total Authorized Budget	\$ 341,000

Staff reached out to several contractors during the bidding phase to try and generate interest in the project, but ultimately only two bids were received. **After following up with these contractors, it appears there is abundant work right now and many contractors didn't have time to prepare a bid for the project. Another contributing factor to the high bid prices was attributed to the increased cost of materials due to shortages associated with the coronavirus pandemic. Furthermore, this project included several subcontractors for specialty work and their pricing was higher than anticipated.**

Funding could be made available from savings in other CIP projects to cover the higher than expected bid prices. However, staff believes that revising the scope of work and shifting the construction window to include winter months could increase interest in this project and decrease overall costs. Staff intends to issue another Notice to Bidders in the coming 1-2 months.

ALTERNATIVES:

1. a.) Receive the report of bids.
b.) Reject all bids. Staff will revise the scope of work, extend the construction window, and rebid the project in the near future.
2. Award the Water Pollution Control Facility Sludge Pumping Building Improvements Project to the apparent low bidder, Minturn, Inc., from Brooklyn, Iowa, in the amount of \$397,400. If Council selects this alternative, the work could be funded by utilizing savings from other CIP Projects. However, staff believes a more competitive bid price could be received by altering the scope of work and rebidding.

CITY MANAGER'S RECOMMENDED ACTION:

Only two bids were received for this project and both exceeded the Engineer's Estimate. Staff believes that altering the scope of work and issuing a new Notice to Bidders for the project with a construction window that extends through the winter months could increase interest in the project and decrease pricing. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.