



Legislation Text

File #: 22-0340, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Bid 22-021, Park Addition Water Main Replacement, to Copenhaver Construction Inc. for an amount not to exceed \$4,515,317 plus a 3% contingency

DEPARTMENT: Water Utilities

SUBMITTED BY: Darrell Blenniss, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In February 2022, Water Utilities issued Bid 22-021, Park Addition Water Main Replacement. The project includes Center Street, Ellsworth Street, Brainard Street and Loomis Street from 5th Avenue to Ogden Avenue. The project also includes the replacement of the storm sewer on Ellsworth Street from 5th Avenue to 7th Avenue.

The purpose of the project is to replace aging and functionally deficient water mains in the Park Addition subdivision. Water mains vary in size from four inches to 10-inches. The bulk of the existing water main is cast iron installed in the 1930s, with segments of poor-quality ductile iron pipe installed in the 1960s and 1970s. Four and six-inch pipes will be upsized to eight-inch pipes and 10-inch pipes will be upsized to 12-inch pipes in accordance with City standards.

The storm sewer on Ellsworth Street is being upsized to a 30-inch pipe to improve stormwater conveyance and drainage characteristics of the area.

DISCUSSION:

| | | | |
|---------------------|-----------|---------------------|-----|
| Advertisement Date: | 2/24/2022 | Notices Sent: | 297 |
| Bid Opening Date: | 3/16/2022 | Planholders: | 30 |
| | | Proposals Received: | 2 |

Bids were received from the following vendors:

| Firm Name | Total Costs |
|----------------------------------|-------------|
| Copenhaver Construction Inc. | \$4,515,317 |
| <i>Engineers Estimate</i> | \$4,189,730 |
| Swallow Construction Corporation | \$5,211,392 |

The low bid for the project is 7.8% greater than the engineer’s estimate. The discrepancy can be attributed to the following factors:

- material shortages
- labor shortages
- generally high rate of inflation
- international political and economic uncertainty

While costs are greater than anticipated, it is not in the best interest of Water Utilities to cancel, delay or re-bid the project. The current economic climate is anticipated to continue for the foreseeable future. Staff worked to negotiate with Copenhaver Construction on a reduction of their submitted bid, however, due to the rapidly rising costs of materials and unprecedented volatility in the industry, Copenhaver was unable to offer a reduction.

Staff believes the low bid submitted is reasonable for performing the work as specified. Staff has experience with Copenhaver Construction and finds them to be a capable contractor.

The completion date of this project is September 30, 2022.

FISCAL IMPACT:

CIP: WU004, SW035

The 2022 program for Water Distribution System - Rehabilitation and Replacements (WU004) is budgeted at \$7,941,000. The Park Addition water main is one component of that program and is budgeted at \$3,918,745. The storm sewer component of the Park Addition project is included in Stormwater Improvements - 8th, Ellsworth and Main (SW035) and is budgeted at \$220,000. While the total bid comes in \$325,587 more than budgeted, both components are a high priority in the 2022 CIP. Staff will monitor future project bids and adjust the 2022 CIP as needed.

| Account Number | Fund Description | Total Budget Amount |
|-----------------|------------------|---------------------|
| 41252000-551502 | Water Capital | \$27,438,275 |
| 30282200-531301 | Capital Projects | \$1,836,000 |
| 30282200-551502 | Capital Projects | \$18,083,000 |

Per Council directive, contingency on construction projects is set at 3% on projects over \$500,000 and 5% on projects under \$500,000.