



Legislation Text

File #: 24-0252, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Waive the applicable provisions of the Naperville Procurement Code and award Bid 23-294, River Road Water Main and Duct Bank Improvements, to Performance Construction and Engineering, for an amount not to exceed \$5,173,148.07, plus a 3% contingency

DEPARTMENT: Water Utilities

SUBMITTED BY: Darrell Blenniss, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The 2023 Capital Improvement Program (CIP) included funding for the replacement of water main along a significant portion of River Road. As that project progressed into the bidding phase in June 2023, staff identified an opportunity to coordinate the water main replacement with the installation of an electric duct bank in the same location. As a result, the 2023 bid was canceled and the project was delayed until the two projects could be coordinated to minimize the impact on residents.

In February 2024, Water Utilities issued Bid 23-294, River Road Water Main and Duct Bank Improvements. The project includes water main replacement and electric duct bank installation on River Road from Aurora Avenue to the BNSF right-of-way and on Aurora Avenue from River Road to Wild Cherry Road.

The existing water mains are cast iron pipe and ductile iron pipe installed in the 1960s and 1970s. These water mains will be replaced and upsized to 12-inch ductile iron pipe in accordance with City standards. The installation of an electric duct bank would allow the City to bury existing overhead power lines through this corridor sometime in the future.

DISCUSSION:

Advertisement Date:	2/2/2024	Notices Sent:	386
Opening Date:	2/23/2024	Planholders:	37
		Proposals Received:	5

Bids were received from the following vendors:

Vendor Name	Proposed Cost
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Engineer's Estimate	\$8,383,210.00
Performance Construction	\$9,388,945.50
Berger Excavating	\$11,323,091.29
Bolder Contractors	\$11,352,268.00
Swallow Construction	\$11,771,801.75
Martam Construction	\$13,305,725.50

Performance Construction and Engineering submitted the low bid for the project at \$9,388,945.50. The low bid is 21% higher than the budgeted amount of \$7,744,000.00. The breakdown between the two funding sources is as follows:

- Water Utilities' share of the project is \$4,569,228.38, which is 12% *lower* than the 2024 budget amount of \$5,200,000.00.
- Electric Utility's share of the project is \$4,819,717.13, which is 89% *higher* than the 2024 budget amount of \$2,544,000.00.

Due to the large discrepancy between the Electric Utility's budget and the low bid, staff determined that omitting the electric work from the contract is in the best interest of the City. Management staff from Electric, Water, Transportation, Engineering and Development, and Finance discussed the path forward and agreed that foregoing this work in 2024 is a prudent financial decision given the current financial situation in the Electric Utility Fund.

While the duct bank portion of the project was significantly over budget, the bid pricing for the water main work was favorable. Therefore, staff believes it is in the best interest of the City to move forward with that scope of work.

To accommodate this change, staff worked with the low bidder to remove the scope associated with the electric duct bank. However, some lump sum quantities associated with the full project scope were negotiated to remain as-is. With these changes, the revised cost of the contract is \$5,173,148.07, which is now fully payable from the Water Capital Fund. The revised contract cost remains less than Water Utilities' budget amount of \$5,200,000.00.

After adjusting the bid scope, staff confirmed that Performance Construction would remain the low bidder if the same changes were applied to all bids. However, due to the adjustments made to the bid scope and pricing, staff recommends an award to the lowest bidder through a waiver of the procurement code as re-bidding the project could result in higher costs.

Staff believes the low bid submitted is reasonable for performing the work as specified. In addition to the positive reference checks, staff has experience with Performance Construction and Engineering and finds them to be a capable contractor.

The substantial completion date for this project is October 31, 2024.

FISCAL IMPACT:
CIP #: WU402

The River Road Water Main Improvement is expensed to the Water Capital Fund accounts listed

below. The 2024 budget includes \$5,200,000 for this project. The requested award is under budget by \$26,851.93, or 0.5%.

The budget associated with the electric duct bank work will remain unused in 2024, which will reduce the potential need to borrow for capital projects in the Electric Utility.

Account Number	Fund Description	Total Budget Amount
41252000-551502	Water Capital Fund	\$40,264,902
41252000-531301	Water Capital Fund	\$7,171,909

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