

## **Memorandum 10-05 Sanitary Sewer Rehabilitation Project Construction Contract Award**

**Memorandum ID:** 10-005  
**Memorandum Status:** Backup

MEMORANDUM 10-05

To: Walt Wrede, City Manager  
From: Carey Meyer, Public Works Director  
Date: January 4, 2010  
Subject: ARRA Sanitary Sewer Rehabilitation Project  
Construction Contract Award Recommendations

The City opened bids for this project on December 17. Three bids were received:

Bidder Local/Non-Local Bid Amount

Northern Mechanical Non-Local \$ 1,217,529.00  
Construction Unlimited Non-Local \$ 897,895.90  
Frawner Corporation Non-Local \$ 1,547,106.00

Engineer's Estimate \$ 1,691,349.00

(5% local bidder's preference does not apply due to federal funding conditions)

The apparent low bid is significantly below the engineer's estimate. Public Works evaluated the low bid and met with Construction Unlimited to discuss the scope of work. Construction Unlimited explained that their liner cures with U/V light and not hot-water (making winter installation cheaper). The size of the project and the winter timing also had an effect on their bid. Public Works reviewed their Contractor's Questionnaire and found it to show adequate capacity to complete the contract. Construction Unlimited has had an opportunity to review their bid and the scope of work and has committed to complete the work as described in the bid documents. Based on our discussions with Construction Unlimited staff, a review of their previous performance and our engineer's counsel, Public Works recommends awarding the contract to the low bidder.

A notice of intent to award was sent to all bidders; each had the opportunity to protest this award; none were received. This project is an ARRA (economic stimulus) project. The Council has previously authorized accepting a 90% forgiveness loan to fund the project through ADEC and authorized a \$1,800,000 project budget. Public Works has identified additional sewer lining that is needed should the left over funds remain available. Any additional award will require City Council approval.

Recommendations:

The City Council award the construction contract to Construction Unlimited, Anchorage, Alaska in the amount of \$897,895.90 for the Sanitary Sewer Rehabilitation project and authorize the City Manager to execute all appropriate documents to complete construction.

Related Resolutions **Memorandum - Related Resolutions:** [Resolution 10-05 Awarding the Contract for the Homer Sanitary Sewer Rehabilitation Project to Construction Unlimited](#)

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