



MEMORANDUM 21-216

To: City Council
Through: Rob Dumouchel, City Manager
From: Janette Keiser, PE, Public Works Director
Date: November 30, 2021
Subject: **Award of Construction Contract for
Tasmania Court Water and Sewer Main Extensions Projects**

Issue: The purpose of this memorandum is to recommend award of a contract to East Road Services Inc.

Background: On November 30, bids were received for the above referenced projects. Competitive bidding was completed in accordance with the City's procurement regulations. The Water Main Project was bid first and then, when the design was finished for the Sewer Main Project, bids for the two projects were combined into one Consolidated Bid Form. That being said, the water and sewer projects will be administered separately, because they are financed by separate ADEC loans.

Three responsive bids were received:

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|-------------------------------|------------|
| a. Scott's Heating & Plumbing | \$ 988,122 |
| b. Dirtworks, Inc. | \$ 950,543 |
| c. East Road Services, Inc. | \$ 688,094 |
| d. Engineer's Estimate | \$ 646,385 |

East Road Services, Inc. is a well-known local firm that has the experience and resources to satisfactorily complete the work.

Budget:	Water	Sewer	Water Betterment	
Council Appropriation	\$ 234,105 ^{1 2}	\$ 287,692 ^{3 4}	\$88,569 ⁵	= \$610,366
Costs to date:				
• Design Survey	\$ 2,800	\$ 980		
• Design	\$ 11,000	\$ 9,660	\$4,360	
• HDPE Pipe Materials	<u>\$ 21,871</u>	<u>\$ 0</u>	<u> </u>	
• Total Expended to Date	\$ 35,671	\$ 10,640	\$4,360	= <u>\$ 50,671</u>
Remaining appropriation				\$559,695
Projected Cost to Complete:				
• Construction Bid		\$ 688,094		
• Inspection		<u>\$ 10,000</u>		
• Total Cost to Complete		\$ 698,094		
• Remaining appropriation		<u>\$ 559,695</u>		
Appropriation needed to complete project		\$ 138,399		
Total Project Cost = \$698,094 + \$50,671				
			\$748,765	
• Cost to Design & Construct Betterment (12" Main)			<u>\$ 67,366</u>	
• Cost to Design & Construct everything else			\$681,399	
• Less: ADEC Loan Subsidy ⁶			<u>\$122,822</u>	
• Net Cost to Design & Construct everything else			\$558,577	
Property Owner Share		75% of \$ 558,577	\$ 418,932	
City Share		25% of \$ 562,177	\$ 139,644	

ADEC loan application = \$277,090 + \$248,136⁷ = \$525,226

Findings:

1. There are sufficient funds in the authorized ADEC Loan amounts to cover the property owner financing. \$525,226 covers \$418,932
2. We need \$138,399 in additional Council appropriations to cover the Total Project Cost. (\$748,765 - \$610,366)
3. The projected value of an Equal Share assessment for water and sewer as well as the estimated cost of the on-site work for the sewer service and septic tank de-commissioning,

¹ Resolution 20-68 authorized \$234,105 from HAWSP for Tasmania Court Water Project.

² Resolution 21-042 authorized ADEC Loan in the amount of \$277,090 for the Tasmania Court Water Project, but failed to increase the appropriation from HAWSP.

³ Resolution 21-045(A) authorizing ADEC Loan in the amount of \$287,692 for the Tasmania Court Sewer Project.

⁴ Ordinance 21-34 authorizing \$287,692 from HAWSP for Tasmania Court Sewer Project

⁵ Ordinance 21-11 authorizing \$88,569 for water betterment

⁶ Principal Forgiveness Subsidy accepted by City Council in Resolution 21-023.

⁷ Loan Application date 6-18-21

was \$30,467. The price, for the same scope of work, as-bid, is projected to be \$34,311, all of which can be financed through the ADEC loan. The increase is 14.5%

Recommendations:

1. That the City Council pass a resolution awarding the construction contract for the Tasmania Water Main and Sewer Main Extension Projects to East Road Services in the amount of \$688,094 and authorize the City Manager to execute all appropriate documents necessary to complete this project.
2. That the City Council pass legislation increasing the appropriation for the Tasmania Court Water Main and Sewer Main Extension Projects in the amount of \$138,399, to be apportioned for purposes of accounting for the ADEC loan, between the water and sewer accounts as actual costs are determined.