



City of Grand Island

Tuesday, July 14, 2009

Council Session

Item G8

**#2009-161 - Approving Bid Award for Water Main Project 2009-
W-3 - Water Main Extension - Husker Highway and 60th Road
(Alda Water Line)**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Dale Shotkoski, City Attorney

Meeting: July 14, 2009

Subject: Water Main Project 2009-W-3 – Husker Hwy. and 60th Road

Item #'s: G-8

Presenter(s): Gary R. Mader, Utilities Director

Background

In 2006, the Village of Alda contacted the Utilities Department regarding the possibility of the City of Grand Island providing water supply to the Village. At that time, the Village was beginning the processes of evaluating options to replace their current wells being used for water supply. The Village is under an Administrative Order from the Nebraska Department of Health and Human Services because the current wells do not meet the recently implemented regulations regarding uranium, a naturally occurring contaminate common in central Nebraska.

At that time, Utilities Department staff and the Village's engineering consultant (JEO, Inc.) began the work of determining the feasibility of providing the water supply to Alda. JEO's evaluation concluded that the project was feasible for extending a pipeline from Grand Island to a metering location on the east side of the Village. At that point, a new pumping station would connect to Alda's system and supply their needs. Concurrently, the Utilities Engineering Division evaluated several different combinations of routing and pipe sizes for the project. The selected route recommended the extension of 16" main commencing at Engleman Road and running westerly within the Husker Highway right-of-way to 60th Road; then extending a 12" main southerly in 60th Road, to U. S. Highway 30. A map showing the planned routing is attached for reference.

In February of this year, the Council approved the Interlocal Agreement between the City of Grand Island, the Village of Alda, and the U.S. Department of Agriculture – Rural Development, for construction of the water main. The Agreement provides for the City to construct the water line, and for the Village to pay the City a connection fee of \$1,060,000 from the federal grant funds for the project.

Discussion

Contract specifications and plans were prepared for the project by Utility Engineering staff. Bid documents were advertised in accordance with City Procurement Codes. Fourteen construction firms received copies of the bid documents. Ten bids were received and publicly opened at 11:00 a.m. on July 1, 2009.

The “as-read” bid information is tabulated below:

Bidder	Bid Security	Exceptions	Bid Price	Completion Time
Van Kirk Bros. Contracting Sutton, NE	Fidelity & Deposit Co.	None	\$ 795,409.95	185 days
Diamond Engineering Co. Grand Island, NE	Universal Surety Co.	None	\$ 808,077.65	155 days
Pat Thomas Const., Inc. Lincoln, NE	International Fidelity Insurance Company	None	\$ 853,453.33	65 days
Midlands Contracting, Inc. Kearney, NE	Travelers Casualty & Surety Company	None	\$ 876,115.70	120 days
Judds Bros. Const. Co. Lincoln, NE	Inland Insurance Company	None	\$ 896,128.80	150 days
D.A. Davis Company, Inc. South Sioux City, NE	Fidelity & Deposit Company	None	\$ 945,959.95	125 days
Starostka Group Unlimited Grand Island, NE	International Fidelity Insurance Company	None	\$1,031,854.19	205 days
General Excavating Lincoln, NE	Universal Surety Company	As Noted	\$1,080,779.75	240 days
Rutjens Construction, Inc. Tilden, NE	Universal Surety Company	None	\$1,112,074.68	180 days
K2 Construction Lincoln, NE	International Fidelity Insurance Company	None	\$1,197,979.57	120 days

The received bids have been reviewed and evaluated. Through that process, the following is noted:

- The “as read” low bidder for the project, Van Kirk Brothers Contracting, had no errors in their bid and took no exceptions to the specifications. Their bid is below the total project estimate of \$1,060,000.00, and meets all City contract requirements.
- The bid tabulation from Pat Thomas Construction contained errors. (1) The total price for item C.1.33 – Re-grade and re-gravel roadways is \$300, not \$1,300 as listed; and (2) The sum for all project units is \$860,522.83, not \$853,453.33, as listed for their bid. This difference in price still makes them the third highest bidder.
- The Contract documents require the bidder to provide a breakdown of their bid for sales tax, material costs, and service cost. This information is for use by the Grand Island Finance Department. The bid from the Starostka Group Unlimited contained an error in listing the total cost for services. The actual cost is \$515,403.71, not \$515,409.71 as listed on their bid form.

- General Excavating took an exception to the part of the specifications relating to dewatering, listing that their bid “does not include dewatering as the bore logs indicate it will not be required.”
- As part of the project’s planning process, the Division hired Geotechnical Services, Inc., to do soil analysis along the project route. Per their investigations conducted April 17, 2009, it was anticipated that groundwater would not be an issue for installing the project. However, as circumstances change, the sub-soil conditions may require the project to be dewatered in order to install the pipeline. At that point, the Contractor would be responsible for providing the means to accomplish that work.

The other bids are without errors or exceptions.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council award the contract for Water Main Project 2009-W-3, Water Main Extension – Husker Highway and 60th Road, to the lowest responsive bidder, Van Kirk Brothers Contracting, of Sutton, Nebraska, in the amount of \$795,409.95.

Sample Motion

Move to approve award of the contract for Water Main Project 2009-W-3, Water Main Extension – Husker Highway and 60th Road, to Van Kirk Brothers Contracting, of Sutton, Nebraska, in the amount of \$795,409.95.



Wes Nespor, Purchasing Agent

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: July 1, 2009 at 11:00 a.m.

FOR: Water Main Project 2009-W-3
Water Main Extension; Husker Highway and 60th Road

DEPARTMENT: Utilities

ESTIMATE: \$1,060,000.00

FUND/ACCOUNT: 525

PUBLICATION DATE: June 9, 2009

NO. POTENTIAL BIDDERS: 14

SUMMARY

Bidder:	<u>Van Kirk Bros. Contracting</u> Sutton, NE	<u>Rutjens Construction, Inc.</u> Tilden, NE
Bid Security:	Fidelity & Deposit Company	Universal Surety Company
Exceptions:	None	None
Bid Price:	\$795,409.95	\$1,112,074.68
Completion:	185 days	180 days
Bidder:	<u>Starostka Group Unlimited</u> Grand Island, NE	<u>Midlands Contracting, Inc.</u> Kearney, NE
Bid Security:	International Fidelity Ins. Co.	Travelers Casualty & Surety Co.
Exceptions:	None	None
Bid Price:	\$1,031,854.19	\$876,115.70
Completion:	205 days	120 days

Bidder:	<u>K2 Construction</u> Lincoln, NE	<u>General Excavating</u> Lincoln, NE
Bid Security:	International Fidelity Ins. Co.	Universal Surety Company
Exceptions:	None	Noted
Bid Price:	\$1,197,979.57	\$1,080,779.75
Completion:	120 days	240 days

Bidder:	<u>The Diamond Engineering Co.</u> Grand Island, NE	<u>Pat Thomas Construction, Inc.</u> Lincoln, NE
Bid Security:	Universal Surety Company	International Fidelity Ins. Co.
Exceptions:	None	None
Bid Price:	\$808,077.65	\$853,453.33
Completion:	155 days	65 days

Bidder:	<u>Judds Bros. Construction Co.</u> Lincoln, NE	<u>D. A. Davis Co., Inc.</u> South Sioux City, NE
Bid Security:	Inland Insurance Company	Fidelity & Deposit Co.
Exceptions:	None	None
Bid Price:	\$896,128.80	\$945,959.95
Completion:	150 days	125 days

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Tom Barnes, Utilities Eng. Mgr.

Bob Smith, Assist. Utilities Director
Wes Nespor, Purchasing Agent
Pat Gericke, Utilities Admin. Assist.

RESOLUTION 2009-161

WHEREAS, the City Water Department invited sealed bids for Water Main Project 2009-W-3, Husker Hwy. and 60th Road; and

WHEREAS, on July 1, 2009, bids were received, opened and reviewed; and

WHEREAS, Van Kirk Brothers Contracting of Sutton, Nebraska, submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, in the amount of \$795,409.95; and

WHEREAS, the bid of Van Kirk Brothers Contracting of Sutton, Nebraska, is less than the estimate for Water Main Project 2009-W-3, Husker Hwy. and 60th Road.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Van Kirk Brothers Contracting, of Sutton, Nebraska, in the amount of \$795,409.95 is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 14, 2009.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
July 9, 2009 ☐ City Attorney