



# City of Grand Island

Tuesday, May 12, 2015

Council Session

## Item G-6

**#2015-125 - Approving Bid Award for Hall County SID No. 2  
Sanitary Sewer Improvements - 2014**

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Terry Brown PE, Assistant Public Works Director

**Meeting:** May 12, 2015

**Subject:** Approving Bid Award for Hall County SID No. 2 Sanitary Sewer Improvements - 2014

**Item #'s:** G-6

**Presenter(s):** John Collins PE, Public Works Director

## Background

On February 24, 2015 the Engineering Division of the Public Works Department advertised for bids for Hall County SID No. 2 Sanitary Sewer Improvements – 2014.

This project will continue the extension of sanitary sewer to the south side of Interstate 80 along US Highway 281.

## Discussion

Three (3) bids were received and opened on March 24, 2015. The Engineering Division of the Public Works Department; the Purchase Division of the City Attorney’s Office and the Engineering Consulting Firm, Olsson Associates have reviewed the bids that were received. A summary of the bids is shown below.

<i>Bidder</i>	<i>Exceptions</i>	<i>Base Bid Price</i>	<i>Alternate Bid</i>
Myers Construction, Inc. of Broken Bow, NE	None	\$2,293,135.00	\$2,326,949.00
Van Kirk Bros. Contracting of Sutton, NE	None	\$2,387,900.90	\$2,228,733.90
Diamond Engineering Co. of Grand Island, NE	None	\$3,189,070.04	\$3,180,935.37

After discussions between the City and Olsson Associates the decision was made to move forward with the Base Bid.

In working with Myers Construction, Inc. staff has negotiated a total of \$112,329.00 in deducts from the Base Bid. Details of the deducts are listed below.

- Dewatering deduct. This came about due to Myers Construction overestimating the dewatering costs. Also, if the I80 crossing is done by directional drilling rather than jacking and boring additional savings in dewatering could be achieved.
  - The deduct is \$77,677
- Direction drill the steel casing under I80 in lieu of jacking and boring
  - The deduct is \$53 per linear foot
- Direction drill the steel casing under US Highway 281 in lieu of jacking and boring
  - The deduct is \$53 per linear foot

The original bid form submitted by Myers Construction, Inc. for the project has been modified to include the negotiated deducts. Attached is a letter from Myers Construction, Inc. noting the negotiated deductions. Accounting for all negotiated deductions the updated Base Bid is \$2,180,806.00.

Funds are available in Account No. 53030055-85213-53002

### **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 approve the bid award to Myers Construction, Inc. of Broken Bow, Nebraska in the amount of \$2,180,806.00.

### **Sample Motion**

Move to approve the bid award.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**BID OPENING**

**BID OPENING DATE:** March 24, 2015 at 2:00 p.m.

**FOR:** Hall County SID #2 Sanitary Sewer Improvements – 2014  
Sewer Project District 534

**DEPARTMENT:** Public Works

**ESTIMATE:** \$2,024,326.00  
\$2,033,120.00 Alternate Bid Section “A”

**FUND/ACCOUNT:** 53030055-85213  
53030055-53002

**PUBLICATION DATE:** February 24, 2015

**NO. POTENTIAL BIDDERS:** 14

**SUMMARY**

<b>Bidder:</b>	<b><u>Diamond Engineering Co.</u></b> Grand Island, NE	<b><u>Myers Construction, Inc.</u></b> Broken Bow, NE
<b>Bid Security:</b>	Universal Surety Co.	Merchants Bonding Co.
<b>Exceptions:</b>	None	None
<b>Bid Price:</b>		
Sewer Project 534:	\$3,189,070.04	\$2,293,135.00
Alternate Bid “A”	\$3,180,935.37	\$2,326,949.00
<b>Bidder:</b>	<b><u>Van Kirk Bros. Contracting</u></b> Sutton, NE	
<b>Bid Security:</b>	Universal Surety Co.	
<b>Exceptions:</b>	None	
<b>Bid Price:</b>		
Sewer Project 534:	\$2,387,900.90	
Alternate Bid “A”	\$2,228,733.90	

cc: John Collins, Public Works Director

Catrina DeLosh, PW Admin. Assist.

Marlan Ferguson, City Administrator  
Stacy Nonhoff, Purchasing Agent

William Klingman, Interim Finance Director  
Tara Bevard, PW Project Manager

**P1804**



April 29, 2015

Tara Bevard  
City of Grand Island  
100 East First Street  
Grand Island, NE 68801

Re: Hall County SID #2 Sanitary Sewer Improvements - 2014  
Grand Island, Nebraska  
OA Project No. 012-1867

Dear Ms. Bevard,

Bids were opened on the rebid for the Hall County SID #2 Sanitary Sewer Improvements project on March 24th. There were 3 bids received for the project. The bidders and bids were:

Van Kirk Brothers Contracting –  
Base Bid Section - \$2,387,900.90  
Alternate Bid Section "A" - \$2,228,733.90

Diamond Engineering –  
Base Bid Section - \$3,180,815.13  
Alternate Bid Section "A" - \$3,180,935.38

Myers Construction, Inc.  
Base Bid Section - \$2,293,135.00  
Alternate Bid Section "A" - \$2,326,949.00

After discussions with City staff, the decision was made to negotiate with the low bidder for the Base Bid portion of the project which was Myers Construction, Inc to see if any potential cost savings measures to the project could be realized. We have worked through those discussions with Myers Construction. The items and potential deducts are:

- Dewatering deduct. This came about due to Myers Construction doubling up some of the pricing in their bid on dewatering costs. Also, if the I-80 crossing was done by directional drilling rather than jacking and boring additional savings in dewatering could be achieved.
  - o The deduct was \$77,677 for pay item #22 Base Bid Section and pay item #21 for Alternate Bid Section "A".
- Directional drill the steel casing under I-80 in lieu of jacking and boring.
  - o The deduct was \$53/LF (adjusted unit price of \$527/LF) for pay item #10 Base Bid Section and pay item #9 for Alternate Bid Section "A".
- Directional drill the steel casing under Hwy 281 in lieu of jacking and boring.
  - o The deduct was \$53/LF (adjusted unit price of \$302/LF) for pay item #11 Base Bid Section and pay item #11 for Alternate Bid Section "A".

201 East Second Street  
Grand Island, NE 68801

TEL 308.384.8750  
FAX 308.384.8752

[www.olssonassociates.com](http://www.olssonassociates.com)

The original bid form submitted by Myers Construction Inc. for the project has been modified to include the negotiated deducts. Attached are two signed copies of the bid form as well as a letter from Myers Construction noting the negotiated deductions.

Based on discussions with City staff and the Hall County SID #2 the recommendation is to award the Base Bid Section to Myers Construction Inc. for #2,180,806.00.

If you have any questions or comments, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink that reads "Joe Baxter". The signature is written in a cursive style with a large initial "J".

Joseph C. Baxter

April 29, 2015

Tara Bevard  
City of Grand Island  
100 East First Street  
Grand Island, NE 68801

Re: Hall County SID #2 Sanitary Sewer Improvements - 2014  
Grand Island, Nebraska

Dear Ms. Bevard,

After the bid opening of the above referenced project Myers Construction worked with Olsson Associates to identify any potential cost saving measured that could be identified in the project. The potential cost saving measures that were identified are:

- Dewatering deduct. We doubled up on some of the dewatering pricing in our bid on the dewatering costs for the I-80 crossing. Also, If the I-80 crossing is done by directional drilling versus jacking and boring additional dewatering savings would occur.
  - o A deduct of \$77,677 for pay item #22 Base Bid Section and pay item #21 for Alternate Bid Section "A" could be realized.
- Directional drill the steel casing under I-80 in lieu of jacking and boring.
  - o A deduct of \$53/LF (adjusted unit price of \$527/LF) for pay item #10 Base Bid Section and pay item #9 for Alternate Bid Section "A" could be realized.
- Directional drill the steel casing under Hwy 281 in lieu of jacking and boring.
  - o A deduct of \$53/LF (adjusted unit price of \$302/LF) for pay item #11 Base Bid Section and pay item #11 for Alternate Bid Section "A" could be realized.

Attached are two signed copies of the updated bid form including the above noted deductions.

If you have any questions or comments, please do not hesitate to call.

Sincerely,



Perry Myers,



RESOLUTION 2015-125

WHEREAS, the City of Grand Island invited sealed bids for Hall County SID No. 2 Sanitary Sewer Improvements - 2014, according to plans and specifications on file with the Public Works Department; and

WHEREAS, on March 24, 2015 bids were received, opened, and reviewed; and

WHEREAS, Myers Construction, Inc. of Broken Bow, 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, such bid being in the amount of \$2,293,135.00; and

WHEREAS, after negotiations for potential cost savings with Myers Construction, Inc. on such project their base bid was modified to the amount of \$2,180,806.00.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Myers Construction, Inc. of Broken Bow, Nebraska in the amount of \$2,180,806.00 Hall County SID No. 2 Sanitary Sewer Improvements - 2014 is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute a contract with such contractor for such project on behalf of the City of Grand Island.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, May 12, 2015.

\_\_\_\_\_  
Jeremy L. Jensen, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	☐ _____
May 8, 2015	☐ City Attorney