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Department of Utilities
Wastewater Treatment Plant
2006 E Newberry Street
Appleton, WI 54915-3128
920-832-5945 tel.
920-832-5949 fax

TO: Chairperson Brad Firkus and Members of the Finance Committee

FROM: Utilities Deputy Director, Chris Stempa

DATE: September 22, 2022

RE: *Action: Reject base bid from Staab Construction in the amount of \$643,600 for the 2022 AWWTP Blended Sludge Piping and Preliminary Heat Exchanger Replacement Project*

BACKGROUND:

The 2022 Capital Improvement Plan (CIP) includes \$450,000 to replace blended sludge pipe and the preliminary heat exchanger in MK-Tunnel at the AWWTP. McMahon and Associates (McMahon) was awarded the engineering services contract earlier in 2022 for \$26,300, leaving a balance of \$423,700 for construction. The public bid for this project included a base bid focused only on the blended sludge pipe and four alternate bids. One of the alternates Alternate Bid #2 was an independent CIP project (Grit Trap Vortex System Drive Replacement) that was bundled with this public bid. The balance of the alternate bids were elements of the original Blended Sludge Piping Replacement CIP that included the heat exchanger replacement, recladding of the Raw Sludge Blend Tank, and numerous architectural repairs in MK-Tunnel. The intent of the alternate bids was to provide flexibility and economy of scale with the goal of carrying at least a base bid project forward. The rationale for which was based on substantially higher costs from other recent public bid projects.

BIDS:

On Tuesday September 8, 2022 the City opened and reviewed the bids from two contractors which are summarized in the Table 1 below. Each bid met the submittal requirements.

Table 1: Bid Tab Summary

Item	Staab Construction Corporation	August Winter and Sons, Inc
Base Bid	\$643,000	\$835,864

Staab Construction provided the least cost base bid. However, their base bid exceeded the available budget by \$193,000. Contributing factors for higher bid costs appear to be the result of lingering supply chain issues, sustained high demand for various products and services, elevated costs for construction materials, and higher costs for labor.

After conferring with our consulting engineer, the Utilities Department is recommending rejecting the bid, reviewing the current project bidding documents for items that can be deferred to a future year, and re-bidding with a reduction in project scope.

RECOMMENDATION:

I am recommending the rejection of the base bid from Staab Construction in the amount of \$643,600 for the 2022 AWWTP Blended Sludge Piping and Preliminary Heat Exchanger Replacement Project.

The items reduced from the project scope will be addressed in as part of a 2023 CIP. If you have any questions or require additional information regarding this project please contact Chris Stempa at 920-832-5945.

Attachment:

September 8, 2022 Blended Sludge Pipe, Heat Exchanger & Grit System Replacement Project Bid Tab Summary