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DEPARTMENT OF PUBLIC WORKS - Engineering Division

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TO: Members of the Finance Committee and Utilities Committee
FROM: Ross Buetow, Deputy Director of Public Works / City Engineer
SUBJECT: Award of Units W-15 and X-15 Sewer & Water Main Reconstruction Projects
DATE: April 22, 2015

The Engineering Division has opened bids for Units W-15 and X-15, our two large sewer and water main reconstruction projects for 2015. These projects share similar capital construction funding accounts in sanitary sewer (5431), storm sewer (5230), and water main (5371). After reviewing the bid totals for both projects, we will be able to award both contracts as bid, including a 4% contingency on each contract, while still staying within our overall funding allocations for accounts 5230 and 5431. However, in order to allow for the 4% contingency, we could develop a potential negative fund balance of approximately \$90,000.00 within water account 5371.

We are anticipating that the project contingencies will not be utilized, therefore avoiding the negative fund balance. However, if the contingency funds are needed, it would be our intent to utilize a small portion of our 2015 funding for AMI water meter replacements to offset these costs.

Therefore, we recommend award of:

Unit W-15 Sewer & Water Reconstruction No. 1 to Van Straten Construction in the amount of \$2,496,405.00 with a 4.0% contingency of \$100,000.00 for a project total not to exceed \$2,596,405.00.

-and -

Unit X-15 Sewer & Water Reconstruction No. 2 to Dorner, Inc. in the amount of \$1,841,938.00 with a 4.0% contingency of \$73,000.00 for a project total not to exceed \$1,914,938.00

As part of these contract awards, we are also requesting permission for the following:

- To postpone the water main replacement on **Sanders Street** between Seymour Street and Verbrick Street. The Engineering Division is planning to move the surface improvements for this street further back in our 5-year plan and would like to re-program the water main work to a later date to coincide with this change. Due to these planned changes, the Sanders Street water main work was not included in the bid packages for either of these projects.
- To retain spending authority for the Sanders Street water main construction (\$103,425.00) for use on Projects W-15 and X-15 (the funding and contract award scenario described above is based on this assumption).

Thank you for your consideration.

c: Tony Saucerman, Finance Director
Paula Vandehey, Director of Public Works