



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Reject Bids for the 5 th Avenue Water Main Replacement Project
--------	---

Presenter:	John Lamb
------------	-----------

Please check appropriate box:

	Government Operations	X	Government Services 07.28.14
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	\$2,910,500.00	Budgeted:	YES	X	NO	
-----------------	----------------	-----------	-----	---	----	--

If NO, please explain how item will be funded:

Executive Summary:

City staff and Trotter and Associates went out to bid for the 5th Avenue Water Main Replacement Project on June 1st. Bids were opened on July 1 and have been reviewed by staff and Trotter & Associates. Only one bid was submitted in the amount of \$4,094,460.00. The budgeted and loan approval amount for construction is \$2,500,000.

Since there was only one bid that was 64% over the budget and loan amount, staff is requesting the bid be rejected for the 5th Avenue Water Main Replacement Project.

Staff intends to go out to bid again for the project in the winter to facilitate early spring construction in 2015. Trotter & Associates believe there will be a more favorable bidding environment at that time and provide better scheduling of project. The project will still be eligible for the IEPA Low Interest Loan Program.

Attachments: *(please list)*

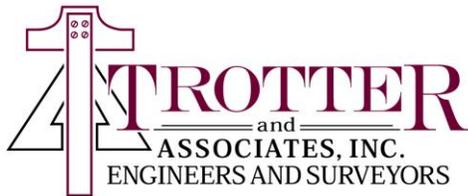
Letter of Recommendation

Recommendation / Suggested Action *(briefly explain):*

Recommendation to Reject Bids for the 5th Avenue Water Main Replacement Project and a Resolution authorizing the Mayor and Clerk to execute the same on behalf of the City of St. Charles.

For office use only:

Agenda Item Number: 6.i



July 1, 2014

Mr. John Lamb
Environmental Services Manager
City of St. Charles
Two East Main Street
St. Charles, Illinois
60174

Subject: **City of St. Charles – North 5th Avenue Watermain Improvements
Recommendation to Reject Bid**

Dear Mr. Lamb,

The City of St. Charles advertised the above referenced project in accordance with the IEPA guidelines on May 28, 2014. The City received bids on Tuesday July 1, 2014. R.A. Mancini was the only bidder with a bid of \$4,094,460.00.

We have reviewed the bidding documents, required certifications and disadvantaged business enterprise (DBE) documentation requirements of the Illinois EPA Loan Program. The required certifications appear to be in order. Trotter and Associates has reviewed the unit prices provided in the R.A. Mancini bid. Unit prices appear high in comparison to previous bid results and consultation with contractors during the design phase. Furthermore, we identified a math error and the correct bid amount was \$4,092,460.00.

TAI and the City were both disappointed with the lack of interest by contractors in this project. The City's project was advertised in the Chicago Tribune, placed on TAI's website and contractors were contacted directly to inform them of the project.

The project included a mandatory pre-bid meeting which was held on June 10th. Five contractors attended the pre-bid meeting and only one (R.A. Mancini) completed the bid process.

TAI has seen a significant reduction in the number of bidders over the last month. TAI had received eight bids on a similar project in Wood Dale in early June. TAI consulted with the plan holders to gain a better understanding of the lack of interest in this project. The contractors indicated that this was a difficult project schedule due to the amount of subcontractor work to be performed and the demand that the project be completed and fully restored in 2014.

Furthermore, multiple contractors stated that their current obligations placed them near or above capacity their production capacity. Completing additional work would require additional resources and that manpower is not readily available through the union halls. The contractors felt that the overall schedule, reliance on subcontractors and that additional resources were not available significantly increased their risk. As a result many elected to take a pass rather than provide a bid for the project.

During our evaluation, TAI compared the anticipated loan payments under current rates and bid with what would be expected if the City rebid the project and received more conventional bid results. Re-bidding the project is expected to save the City approximately \$88,000 per year over twenty years for a total of \$1.76 Million dollars.

City of St. Charles – North 5th Avenue Watermain Improvements

Recommendation to Rebid

July 1, 2014

Page 2 of 2

Trotter and Associates recommends that the current bid is rejected and that the project be re-bid to facilitate Spring construction, which will alleviate the potential bidders concerns over resources and schedule. If you should have any questions or wish to discuss this further please contact me at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Bushnell", with a stylized flourish extending to the right.

Mark Bushnell, P.E.
Senior Project Engineer