SUBJECT: AWARD OF CONTRACT FOR GARDEN, OAK AND MILL SEWER MAIN RECONSTRUCTION PROJECT

SOURCE: Public Works Department - Engineering Division

COMMENT: On September 17, 2002, staff received two (2) bids for the reconstruction of approximately 4,600 feet of sewer main and various sewer manholes located in public and private rights-of-way, and within an area bound by Putnam Avenue, 4th Street, Esther Street and Garden Avenue.

The project will be funded by the Sewer Revolving Fund. The project was bid with a base and two alternates. The base bid was for the areas that had no public access and required pipe bursting. Alternates “A” and “B” have public access and offered the option of pipe bursting or open trench. Quad Knopf’s Engineer’s estimate was $430,000 for the entire project.

The basis for selecting the bid was for base bid plus the lowest of the two alternates. The bids received, which include Alternate “A”, are as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1. Halopoff &amp; Sons, Inc.</td>
<td>$558,712.73</td>
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<tr>
<td>2. Granite Construction</td>
<td>$996,740.00</td>
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Option # 1 - Award the entire project, Base Bid plus Alternate “A” to the lowest bidder, Halopoff & Sons, Inc., and appropriate an additional $140,000 from the Sewer Revolving Fund. The estimated balance in the Sewer Revolving Fund at the end of the 2002/03 fiscal year is $1,631,875.

Option # 2 - Award the Base Bid only, less the cost of sewer laterals and connections in the alternate areas to Halopoff & Sons, Inc., in the amount of $378,499.05. With this option, approximately 80 homes will not receive new sewer mains or laterals in the project area.

Option # 3 - Reject all bids, repackage the project and re-bid at a later date.

The main advantage to Option #2 is that it keeps the project within budget. The main disadvantage is the fact that many of the problems, causing sewage to back up, are in the Alternate “A” area and could cause claims to be filed against the City if backup damages one or more houses before funding is budgeted to remedy the problems.

Item No. 6
RECOMMENDATION: That City Council approve Option # 2:

1. Award the Garden, Oak and Mill Sewer Main Reconstruction Project Base Bid only to the lowest bidder, Halopoff & Sons, Inc., in the amount of $378,499.05;

2. Authorize progress payments up to 90% of the contract amount; and

3. Authorize a 10% contingency to cover unforseen construction cost.

ATTACHMENT: Locator Map