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# CITY OF WEST DES MOINES
# CITY COUNCIL MEETING COMMUNICATION

**ITEM:**

**DATE: February 23, 2015**

Public Hearing (5:35 p.m.)
Fox Creek Trunk Sewer Phase 1

**FINANCIAL IMPACT:**

The Engineering Estimate of Construction Costs was estimated to be $1,654,499.00 for the Fox Creek Trunk Sewer Phase 1 Project. There were five (5) bids submitted with the low bid of $1,974,614.00 being submitted by MPS Engineers, PC for the improvements. Veenstra and Kimm has analyzed the bids received and a summary of their findings is attached. Payments will be paid from budgeted account no. 5061.80.820.6.7910 with the ultimate funding intended to come from the Sewer Fee District account and an existing cost sharing agreement with the City of Waukee.

**BACKGROUND:**

This Public Hearing is on the matter of adoption of Plans, Specifications, Form of Contract, and Estimate of Costs for the Fox Creek Trunk Sewer Phase 1 Project. Upon completion of the Public Hearing, a Resolution should be passed adopting the Plans and Specifications, Form of Contract, Estimate of Costs, and awarding the contract to MPS Engineers, PC.

Work on this project will begin in the near future and be completed by October 30, 2015.

**OUTSTANDING ISSUES:**

None.

**RECOMMENDATION:**

City Council Adopt:
- Resolution adopting Plans, Specifications, Form of Contract, and Estimate of Costs;
- Motion receiving and filing Report of Bids;
- Resolution awarding the construction contract to MPS Engineers, PC.

**Lead Staff Member: Duane C. Wittstock, P.E., L.S., City Engineer**

**STAFF REVIEWS**

| | |
|---|---|
| Department Director | Duane C. Wittstock, City Engineer DCW |
| Appropriations/Finance | Tim Stiles, Finance Director |
| Legal | Richard Scieszinski, City Attorney |
| Agenda Acceptance | RTG |

**PUBLICATION(S)** (if applicable)

| | |
|---|---|
| Published In | Des Moines Register |
| Dates(s) Published | February 13, 2015 |

**SUBCOMMITTEE REVIEW** (if applicable)

| | | | |
|---|---|---|---|
| Committee | Public Works | | |
| Date Reviewed | February 17, 2015 | | |
| Recommendation | Yes | No | Split |

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# RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, APPROVING Adopting Plans, Specifications, Form of Contract, and Estimate of Costs**

**WHEREAS,** on February 9, 2015, Plans Specifications, Form of Contract, and Estimate of Costs were filed with the City Clerk for the following described public improvement:

**Fox Creek Trunk Sewer – Phase 1**
**Project No. 0510-010-2012**

and,

**WHEREAS,** notice of hearing on Plans, Specifications, Form of Contract, and Estimate of Costs for said public improvements were published as required by law.

therefore;

**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA,** that Plans, Specifications, Form of Contract, and Estimate of Costs for said Public Improvement are hereby approved.

**PASSED AND ADOPTED** this **23rd** day of **February, 2015.**

_____
Steven K. Gaer, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk

# RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, APPROVING Awarding Contract**

**WHEREAS,** the City Council of the City of West Des Moines has heretofore directed advertisement for bids for the following described public improvement:

**Fox Creek Trunk Sewer - Phase 1**
**Project No. 0510-010-2012**

and,

**WHEREAS,** bids have been received and opened by the City Clerk and placed on file by the City Council.

and,

**WHEREAS,** the bid of MPS Engineers, PC in the amount of $1,974,614.00 was the lowest responsible bid received for said public improvement,

therefore;

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA,** that a contract for the Fox Creek Trunk Sewer – Phase 1 Project is hereby awarded to MPS Engineers, PC in the amount of $1,974,614.00 and the bond of said bidder for the project is hereby fixed in the same amount.

**BE IT FURTHER RESOLVED** that the City Engineer is authorized and directed to return bid bond(s) and/or check(s) to any unsuccessful bidder.

**BE IT FURTHER RESOLVED** that work on said project may commence as soon as the final contract and bond have been approved by the City Engineer and have been signed by the City Clerk and after the contractor is given a written notice to proceed by the City Engineer.

**PASSED AND ADOPTED on this 23th day of February, 2015.**

Steven K. Gaer, Mayor

ATTEST:

Ryan T. Jacobson, City Clerk

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**VEENSTRA & KIMM, INC.**
3000 Westown Parkway • West Des Moines, Iowa 50266-1320
515-225-8000 • 515-225-7848(FAX) • 800-241-8000(WATS)

February 19, 2015

Duane Wittstock
City Engineer
City of West Des Moines
Public Services Dept./Engineering
4200 Mills Civic Parkway
P.O. Box 65320
West Des Moines, Iowa 50265

WEST DES MOINES, IOWA
FOX CREEK TRUNK SEWER - PHASE 1
REVIEW OF BIDS
RECOMMENDATION TO AWARD CONTRACT

The City of West Des Moines received bids until 2:00 P.M. on February 18, 2015 for the Fox Creek Trunk Sewer - Phase 1 project. A total of five bids were received as follows:

| | |
|---|---|
| MPS Engineers, PC | $1,974.614.00 |
| H&W Contracting, LLC | $2,047,746.00 |
| S.M. Hentges & Sons Inc. | $2,683,964.52 |
| J & K Contracting, LLC | $3,095,600.00 |
| Raccoon Valley Contractors, LLC | $3,170,363.00 |

The bid received from MPS Engineers, PC was read under advisement as the proposal did not acknowledge Addendum No. 1. Subsequent to the bid letting MPS Engineers, PC confirmed it received the mailed copy of Addendum No. 1. However, it failed to timely open the mail and was not aware of the addendum at the time it prepared its proposal.

The apparent low bid on the project was submitted by MPS Engineers, PC in the amount of $1,974,614. The engineer's estimate of cost for construction of the project was $1,654,499. The low bid by MPS Engineers, PC is 19.35% above the engineer's estimate of cost.

The second low bidder on the project was H&W Contracting, LLC with its bid in the amount of $2,047,746. The second low bid by H&W Contracting, LLC is 23.77% above the engineer's estimate of cost.

The writer has reviewed the bids received from all five bidders and discussed the bids with four of the five bidders, including the three lowest bidders.

A review of the bids indicates the difference between all of the bids and the engineer's estimate of cost rests in two basic areas of the project. The first area is the pipe laying unit prices.

The second area is the cost of rip-rap and steel sheeting located along the east branch of the sewer. Most of the other items, such as tunneling and manholes were bid below or in the same generally cost range as the engineer's estimate of cost.

The larger portion of the project is the 24-inch and 30-inch easterly branch of the sewer that follows Fox Creek along the east side of the Fox Creek development. The smaller portion of the project is the 12-inch sewer located to the west of the Fox Creek subdivision.

All of the bidders appeared to identify similar factors that caused concern and raised the bid price of the project. As evidenced by the spread between the five bidders there were significantly different interpretations of the issues relating to the construction of the project.

The schedule for the project anticipates Notice to Proceed in March 2015 with completion at the end of October 2015. Most of the bidders perceived the schedule would require them to work along the Fox Creek corridor through the spring and summer months. The project corridor is in a low lying area along Fox Creek. The bidders perceived the ability to move materials to the project and the tightness of the project quarters posed significant logistical issues and challenges.

These logistical challenges primarily relate to their concern regarding the potential for the area to be very wet in the spring and early summer. These concerns are reflected in the higher unit prices for the pipe in place and the cost for steel sheeting and rip-rap that must be delivered and installed on the east branch of the sewer.

Most of the bidders have a concern regarding the soil conditions along Fox Creek. Due to the remote nature of the area it was not possible for bidders to complete test borings along much of the east branch of the sewer where it is located along the creek through yard areas. Bidders included various contingency amounts for soil conditions in their bids.

While the west branch of the sewer has only one access point that did not appear to be the major concern. The concern with the west bank is the depth of the sewer, the volume of excavated material that would need to be managed within the easement width and the potential for adverse soil conditions, including rock.

The engineer's estimate of cost for the project was prepared approximately 60 days ago when it was anticipated the project would be bid to allow the contractor to work during at least the later part of the winter months. Most of the bidders indicated the ability to have some winter work would have lowered the cost of the project as delivery of materials during frozen ground conditions would have eased some of the logistical concerns.

There have been several sewer projects bid in central Iowa in the last few weeks and it is anticipated there will be additional projects bid over the next several weeks. The results of the bidding in early 2015 suggest prices are moving upward.

There appears to be five or six sewer contractor's currently bidding projects of this size and nature. The perception is there is sufficient work that contractors are not required to cut prices in the same manner as experienced for the last several construction seasons due to the reduced volume of work in relationship to the capacity of the sewer contractors that has existing for several years.

It appears the engineer's estimate of cost was too low as it was prepared before the upward trend in pricing and incorrectly assumed at least some winter construction. Also, the engineer's estimate of cost probably did not fully reflect the logistical concerns regarding this particular project.

Engineer's estimates of cost tend to be prepared based on unit prices experienced on recent projects of a similar type of construction. The use of similar projects as the basis for estimating future projects can result in underestimating projects that have unique circumstances that create concerns to contractors regarding the construction. That appears to be the case for the Fox Creek Trunk Sewer - Phase 1 project.

The five bids on the project probably constitute all of the bidders with an interest in this project. Rebidding the project is not likely to result in additional bidders. Unless the project can be delayed for construction in the winter of 2015-2016 the access, soil conditions and logistical issues that impacted the bidding of the project would not be improved by rejecting bids and rebidding the project in the near term.

For the Fox Creek Trunk Sewer - Phase 1 project there were two bidders that appear to have a competitive interest in bidding the project. The other three bidders were looking for opportunities in the event there were no more competitive bids. While the low bid was over the engineer's estimate of cost, in the writer's opinion rebidding the project is not likely to result in lower bids, and has the potential to increase the bid cost if low bidders reassess their competitive position, especially if they are successful in obtaining other work between the original and rebid of the project. While the low bid was over the engineer's estimate of cost, the writer believes the best course of action for the City of West Des Moines would be to proceed with the project based on the bids received and to award contract accordingly.

The low bid was submitted by MPS Engineers, PC. As indicated earlier, MPS Engineers, PC failed to acknowledge Addendum No. 1 as it did not receive the addendum.

Addendum No. 1 incorporate two provision in the contract. One provision is to allow an alternative pipe material. Allowing an alternative pipe material would not have increased the cost of the project or placed MPS Engineers, PC at a competitive advantage in relationship to other bidders.

The second part of Addendum No. 1 incorporated the ability for the City to delay Notice to Proceed based on the schedule of the remaining condemnations. It is difficult to determine whether the lack of knowledge of this provision would place the contractor at any competitive advantage. However, MPS Engineers, PC indicates they are willing to abide by the terms of the addendum, even though it was not aware of the addendum at the time it bid the project.

MPS Engineers, PC has indicated a willingness to proceed with the project. Although MPS Engineers, PC has not undertaken many projects of a similar nature, many of its employees added in the last two years have experience with other contractors involving similar construction. While there may be concerns regarding the ability of MPS Engineers, PC to undertake the project, it is not believed those concerns are of such a nature to conclude MPS Engineers, PC is not a responsible bidder.

With MPS Engineers, PC indication of its willingness to proceed with the project it would appear the appropriate course of action would be to waive the technicality of not acknowledging Addendum No. 1 and consider the award of contract.

If you have any questions or comments concerning the project, please contact the writer at 225-8000.

VEENSTRA & KIMM, INC.

H. R. Veenstra Jr.

HRVJr:pjh
102158
cc: Jason Schlickbernd

# BID TABULATION
## WEST DES MOINES, IOWA
## FOX CREEK TRUNK SEWER - PHASE 1
## PROJECT NO. 0510-010-2012

| 1. Construct the Fox Creek Trunk Sewer - Phase 1 for the following unit and lump sum prices: | | | | MPS Engineers, PC 1444 Illinois Street Des Moines, Iowa 50314 | | H&W Contracting, LLC 3416 W. Hovland Drive Sioux Falls, South Dakota 57107 | | S.M. Hentges & Son's, Inc. 650 Quaker Avenue Jordan Minnesota 55352 | |
|---|---|---|---|---|---|---|---|---|---|
| ITEM NO. | DESCRIPTION | UNIT | ESTIMATED QUANTITY | UNIT PRICE | EXTENDED PRICE | UNIT PRICE | EXTENDED PRICE | UNIT PRICE | EXTENDED PRICE |
| 1. | Sanitary Sewer in Place - 12" | LF | 2,700 | $ 112.00 | $ 302,400.00 | $ 117.00 | $ 315,900.00 | $ 208.00 | $ 561,600.00 |
| 2. | Sanitary Sewer in Place - 24" | LF | 2,905 | 134.00 | 389,270.00 | 130.00 | 377,650.00 | 153.00 | 444,465.00 |
| 3. | Sanitary Sewer in Place - 30" | LF | 2,288 | 168.00 | 384,384.00 | 135.00 | 308,880.00 | 194.00 | 443,872.00 |
| 4. | Sanitary Sewer Tunneled in Casing - 30" | LF | 380 | 534.00 | 202,920.00 | 430.00 | 163,400.00 | 592.00 | 224,960.00 |
| 5 | Manholes - Type SW 303 - 120" | Ea. | 1 | 48,000.00 | 48,000.00 | 45,000.00 | 45,000.00 | 313,346.02 | 313,346.02 |
| 6. | Manholes - Type SW 301 - 72" | Ea. | 1 | 27,000.00 | 27,000.00 | 10,500.00 | 10,500.00 | 15,000.00 | 15,000.00 |
| 7. | Manholes - Type SW 301 - 60" | Ea. | 11 | 8,700.00 | 95,700.00 | 7,800.00 | 85,800.00 | 9,042.00 | 99,462.00 |
| 8. | Manholes - Type SW 301 - 48" | Ea. | 24 | 5,600.00 | 134,400.00 | 4,700.00 | 112,800.00 | 10,243.00 | 245,832.00 |
| 9. | Video Inspection of Sanitary Sewer | LF | 8,273 | 2.00 | 16,546.00 | 2.00 | 16,546.00 | 2.00 | 16,546.00 |
| 10 | 18" CMP Culvert | LF | 18 | 48.00 | 864.00 | 40.00 | 720.00 | 32.00 | 576.00 |
| 11. | 24" CMP Culvert | LF | 20 | 64.00 | 1,280.00 | 45.00 | 900.00 | 37.00 | 740.00 |
| 12. | 36" CMP Culvert | LF | 40 | 84.00 | 3,360.00 | 55.00 | 2,200.00 | 60.00 | 2,400.00 |
| 13. | Rip-Rap | Ton | 1,360 | 84.00 | 114,240.00 | 55.00 | 74,800.00 | 59.00 | 80,240.00 |
| 14. | Steel Sheeting | SF | 1,600 | 32.00 | 51,200.00 | 35.00 | 56,000.00 | 36.50 | 58,400.00 |
| 15. | Stabilizing Material | Ton | 100 | 48.00 | 4,800.00 | 55.00 | 5,500.00 | 25.00 | 2,500.00 |
| 16. | Granular Surfacing | Ton | 100 | 36.00 | 3,600.00 | 25.00 | 2,500.00 | 22.00 | 2,200.00 |
| 17. | Frosion Control | LS | 1 | xxxxx | 60,000.00 | xxxxx | 15,000.00 | xxxxx | 14,949.00 |
| 18. | Seeding | Acre | 14.5 | 2,200.00 | 31,900.00 | 1,900.00 | 27,550.00 | 1,945.00 | 28,202.50 |
| 19. | Sod | Sq. | 1,950 | 45.00 | 87,750.00 | 48.00 | 93,600.00 | 58.00 | 113,100.00 |
| 20. | Construction Staking | LS | 1 | xxxxx | 8,500.00 | xxxxx | 330,000.00 | xxxxx | 8,900.00 |
| 21. | Traffic Control | LS | 1 | xxxxx | 6,500.00 | xxxxx | 2,500.00 | xxxxx | 6,674.00 |
| | | | TOTAL BID (Items 1. - 21.) | $1,974,614.00 | | $2,047,746.00 | | $2,683,964.52 | |

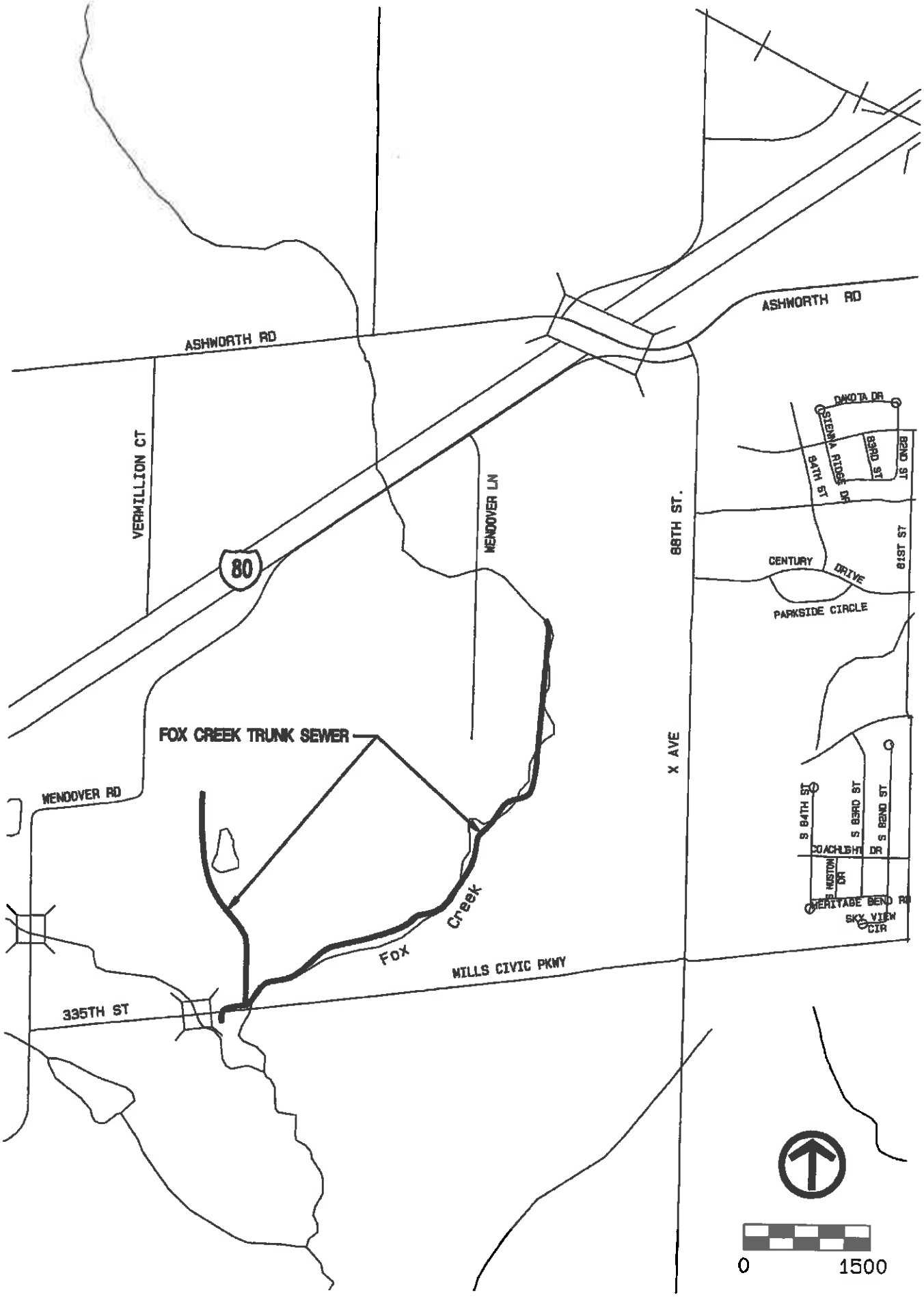
# BID TABULATION
## WEST DES MOINES, IOWA
## FOX CREEK TRUNK SEWER - PHASE 1
## PROJECT NO. 0510-010-2012

| 1. Construct the Fox Creek Trunk Sewer - Phase 1 for the following unit and lump sum prices: | | | | J&K Contracting 1307 East Lincoln Way Ames, Iowa 50010 | | Raccoon Valley Contractors 520 SE Prairie Park Lane Waukee, Iowa 50263 | |
|---|---|---|---|---|---|---|---|
| ITEM NO. | DESCRIPTION | UNIT | ESTIMATED QUANTITY | UNIT PRICE | EXTENDED PRICE | UNIT PRICE | EXTENDED PRICE |
| 1. | Sanitary Sewer in Place - 12" | LF | 2,700 | $ 340.00 | $ 918,000.00 | $ 268.00 | $ 723,600.00 |
| 2. | Sanitary Sewer in Place - 24" | LF | 2,905 | 215.00 | 624,575.00 | 289.00 | 839,545.00 |
| 3. | Sanitary Sewer in Place - 30" | LF | 2,288 | 285.00 | 652,080.00 | 303.00 | 693,264.00 |
| 4. | Sanitary Sewer Tunneled in Casing - 30" | LF | 380 | 650.00 | 247,000.00 | 574.00 | 218,120.00 |
| 5 | Manholes - Type SW 303 - 120" | Ea. | 1 | 104,699.00 | 104,699.00 | 44,000.00 | 44,000.00 |
| 6. | Manholes - Type SW 301 - 72" | Ea. | 1 | 20,000.00 | 20,000.00 | 10,000.00 | 10,000.00 |
| 7. | Manholes - Type SW 301 - 60" | Ea. | 11 | 8,400.00 | 92,400.00 | 8,000.00 | 88,000.00 |
| 8. | Manholes - Type SW 301 - 48" | Ea. | 24 | 6,300.00 | 151,200.00 | 9,000.00 | 216,000.00 |
| 9. | Video Inspection of Sanitary Sewer | LF | 8,273 | 2.00 | 16,546.00 | 3.00 | 24,819.00 |
| 10 | 18" CMP Culvert | LF | 18 | 55.00 | 990.00 | 40.00 | 720.00 |
| 11. | 24" CMP Culvert | LF | 20 | 58.00 | 1,160.00 | 46.00 | 920.00 |
| 12. | 36" CMP Culvert | LF | 40 | 60.00 | 2,400.00 | 60.00 | 2,400.00 |
| 13. | Rip-Rap | Ton | 1,360 | 55.00 | 74,800.00 | 75.00 | 102,000.00 |
| 14. | Steel Sheeting | SF | 1,600 | 24.00 | 38,400.00 | 17.00 | 27,200.00 |
| 15. | Stabilizing Material | Ton | 100 | 25.00 | 2,500.00 | 25.00 | 2,500.00 |
| 16. | Granular Surfacing | Ton | 100 | 25.00 | 2,500.00 | 24.00 | 2,400.00 |
| 17. | Erosion Control | LS | 1 | xxxxx | 15,000.00 | xxxxx | 19,000.00 |
| 18. | Seeding | Acre | 14.5 | 1,900.00 | 27,550.00 | 2,250.00 | 32,625.00 |
| 19. | Sod | Sq. | 1,950 | 48.00 | 93,500.00 | 55.00 | 107,250.00 |
| 20. | Construction Staking | LS | 1 | xxxxx | 8,000.00 | xxxxx | 10,000.00 |
| 21. | Traffic Control | LS | 1 | xxxxx | 2,200.00 | xxxxx | 6,000.00 |
| | | | TOTAL BID (Items 1.-21.) | $3,095,600.00 | | $3,170,363.00 | |

I hereby certify that this is a true tabulation of bids received on February 18, 2015 by the City of West Des Moines, Iowa.

LICENSED PROFESSIONAL ENGINEER
H. Robert Veenstra Jr.
No. 9037
IOWA

H. Robert Veenstra Jr., P.E.
Iowa License No. 9037
My license renewal date is December 31, 2016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