CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

DATE: March 21, 2022

ITEM:

Public Hearing (5:35 p.m.)
South Service Area Segment 4 & 10 Sewers

FINANCIAL IMPACT:

The Engineering Estimate of Construction Cost was estimated to be $2,707,381.00 for the South Service Area Segment 4 & 10 Sewers. There were two (2) bids submitted with the low bid of $5,518,000.00 being submitted by S.J. Louis Construction, Inc. of Rockville, Minnesota. Payments will be made from account no. 640.000.000.5250.490 with the ultimate funding intended to come from Sewer Fee Revenues.

BACKGROUND:

The project consists of construction of the South Service Area Segment 4 & 10 Sewers including approximately 6,939 linear feet of 18"-21" sanitary sewer in open cut, 1,133 linear feet of 18"-21" sanitary sewer installed with trenchless construction, excavation, backfill, manholes, connections to existing sewer, surface restoration, traffic control, and miscellaneous associated work, including cleanup. The South Service Area Segment 4 & 10 Sewers generally lie between SE Walnut Woods Drive and SE Maffitt Lake Road from SE 35th Street to I-35. The project in anticipated to be complete by December 31, 2022.

The low bid of $5,518,000.00 was in excess of the Engineer's Estimate by $2,810,619 (104%). Receipt of two (2) bids indicates that there was very little interest in the project. Typically, 5-7 bidders would bid on a project such as this one, but several factors may have played into the City only receiving two (2) bids. Feedback from several contactors mentioned that there is too much work in the marketplace and every contractor in the area has enough work under contract for the calendar year 2022 already. Another factor that appeared to affect the bids on this project was concern regarding the rock interface for the two tunnels. The project includes a tunnel under Army Post Road and a tunnel under Iowa Highway 5. The sewer at both of the tunnels is located just above the rock. At least two tunnel subcontractors have suggested the City evaluate the method of construction or the elevation of the sewer to address the concern regarding the potential impact of the rock interface.

Staff recommends rejecting all bids and deferral of rebidding the project at this time to allow market conditions to improve and allow the City to evaluate whether it is feasible to address the concerns regarding the elevation of the sewer in relationship to the rock interface.

This agenda item was distributed to the Public Services Subcommittee by e-mail only since there was no meeting.

OUTSTANDING ISSUES: None.

RECOMMENDATION:

City Council Adopt:

- Resolution adopting Plans, Specifications, Form of Contract, and Estimate of Costs for the South Service Area Segment 4 & 10 Sewers;
- Motion receiving and filing Report of Bids;
- Resolution rejecting all bids.

Lead Staff Member: Brian J. Hemesath, P.E., City Engineer

STAFF REVIEWS

Department Director	Brian J. Hemesath, P.E., City Engineer
Appropriations/Finance	Tim Stiles, Finance Director
Legal	Richard Scieszinski, City Attorney
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	Des Moines Register
Dates(s) Published	March 11, 2022

SUBCOMMITTEE REVIEW (if applicable)

Committee	Public Services		
Date Reviewed			
Recommendation	Yes	No	Split

RESOLUTION APPROVING ADOPTING PLANS, SPECIFICATIONS, FORM OF CONTRACT, AND ESTIMATE OF COST

WHEREAS, on February 21, 2022, Plans, Specifications, Form of Contract, and Estimate of Cost were filed with the City Clerk for the following described public improvement:

South Service Area Segment 4 & 10 Sewers
Project No. 0510-007-2020

and,

WHEREAS, notice of hearing on Plans, Specifications, Form of Contract, and Estimate of Cost 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, that the Plans, Specifications, Form of Contract, and Estimate of Costs for said Public Improvement are hereby approved.

PASSED AND APPROVED on this **21st** day of **March, 2022.**

_____
Russ Trimble, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk

RESOLUTION REJECTING ALL BIDS

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

South Service Area Segment 4 & 10 Sewers
Project No. 0510-007-2020

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 S.J. Louis Construction, Inc. in the amount of $5,518,000.00 was the lowest responsible bid received for said public improvement;

WHEREAS, the bids received exceeded the estimated project cost;

therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA, that all bids for the South Service Area Segment 4 & 10 Sewers project are hereby rejected.

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.

PASSED AND ADOPTED on this **21st** day of **March, 2022.**

_____
Russ Trimble, Mayor

ATTEST:

_____
Ryan T. Jacobson, City Clerk

BID TABULATION
WEST DES MOINES, IOWA
SOUTH AREA TRUNK SEWER - WESTERN SEGMENT 4 10 SEWERS

1. Construct the South Service Area Segment 4 & 10 Sewers Project No. 0510-007-2020 for the following Unit and Lump Sum Prices:				Engineer's Estimate		S. J. Louis Construction, Inc. 1351 Broadway Street PO Box 459 Rockville, MN 56369		Synergy Contracting, LLC 7481 US Highway 69 Des Moines, IA 50320	
ITEM NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE	UNIT PRICE	EXTENDED PRICE
1.	Sanitary Sewer in Open Cut - 21"	LF	5,085	$ 265.00	$ 1,347,525.00	$ 375.00	$ 1,906,875.00	$ 595.00	$ 3,025,575.00
2.	Sanitary Sewer in Open Cut - 18"	LF	1,736	200.00	347,200.00	365.00	633,640.00	574.00	996,464.00
3.	Sanitary Sewer Trenchless - 21"	LF	290	160.00	46,400.00	1,900.00	551,000.00	1,029.00	298,410.00
4.	Sanitary Sewer Trenchless - 18"	LF	169	160.00	27,040.00	2,000.00	338,000.00	819.00	138,411.00
5.	Sanitary Sewer Trenchless in Casing - 18"	LF	674	700.00	471,800.00	1,750.00	1,179,500.00	3,426.00	2,309,124.00
6.	Sanitary Sewer in Open Cut in Casing - 18"	LF	118	250.00	29,500.00	1,100.00	129,800.00	665.00	78,470.00
7.	Manhole - Type SW-301 - 60"	EA	4	12,000.00	48,000.00	17,000.00	68,000.00	15,540.00	62,160.00
8.	Manhole - Type SW-301 - 48"	EA	19	8,000.00	152,000.00	15,000.00	285,000.00	10,955.00	208,145.00
9.	Connection to Existing Sewer	EA	1	3,500.00	3,500.00	75,000.00	75,000.00	11,550.00	11,550.00
10.	Partial Drop Connection	EA	1	-	-	10,000.00	10,000.00	14,000.00	14,000.00
11.	Video Inspection of Sanitary Sewer	LF	8,072	3.00	24,216.00	3.00	24,216.00	3.00	24,216.00
12.	Concrete Encasement	LF	70	150.00	10,500.00	575.00	40,250.00	420.00	29,400.00
13.	Steel Sheeting	SF	500	35.00	17,500.00	90.00	45,000.00	84.00	42,000.00
14.	Rip-Rap	TON	400	40.00	16,000.00	120.00	48,000.00	84.00	33,600.00
15.	Granular Surfacing	SY	800	15.00	12,000.00	32.00	25,600.00	21.00	16,800.00
16.	Fence Removal and Replacement - Field Type	LF	70	20.00	1,400.00	54.00	3,780.00	56.00	3,920.00
17.	Fence Removal and Replacement - Chain Link	LF	150	50.00	7,500.00	65.00	9,750.00	70.00	10,500.00
18.	18"CMP Removal and Replacement	LF	20	50.00	1,000.00	120.00	2,400.00	322.00	6,440.00
19.	Erosion Control	LS	1	XXXX	25,000.00	XXXX	50,589.00	XXXX	7,000.00
20.	Silt Fence	LF	10,600	3.00	31,800.00	2.00	21,200.00	3.00	31,800.00
21.	Seeding Non-Turf Areas	ACRE	16	2,500.00	40,000.00	2,000.00	32,000.00	2,800.00	44,800.00
22.	Seeding Turf Grass Areas	ACRE	2	2,500.00	5,000.00	4,200.00	8,400.00	2,800.00	5,600.00
23.	Seeding Wetland Mix	ACRE	1	2,500.00	2,500.00	4,000.00	4,000.00	4,200.00	4,200.00
24.	Traffic Control	LS	1	XXXX	15,000.00	XXXX	6,000.00	XXXX	282,000.00
25.	Construction Staking	LS	1	XXXX	25,000.00	XXXX	20,000.00	XXXX	25,200.00
			TOTAL BID (Items 1-33)	$2,707,381.00		$5,518,000.00		$7,709,785.00	

I hereby certify that this is a true tabulation of bids received on March 16, 2022 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, 2022

VEENSTRA & KIMM INC.
3000 Westown Parkway
West Des Moines, Iowa 50266

515.225.8000 // 800.241.8000
www.v-k.net

March 16, 2022

Jason Schlickbernd
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
SOUTH SERVICE AREA SEGMENTS 4 & 10
PROJECT NO. 0510-007-2020
RECEIPT OF BIDS
RECOMMENDATION TO REJECT BIDS

The City of West Des Moines received bids on March 16, 2022 for the South Service Area Segment 4 & 10 Sewer project. A total of two bids were received as follows:

Contractor	Total Bid
S. J. Louis Construction, Inc.	$5,518,000.00
Synergy Contracting, LLC	$7,709,785.00

The low bid was received from S. J. Louis Construction, Inc in the amount of $5,518,000.00.

The engineer's estimate of cost for construction of the project was $2,707,381.00. The low bid was 104% above the engineer's estimate of cost.

Typically a project of this type would receive five to seven bids. The receipt of only two bids is indicative of the current market conditions. Almost every sewer contractor in this area has more work under contract than they can reasonably complete in calendar year 2022. As a result most of the contractors that would bid this type of project are not bidding projects at this time. The contractors that are bidding projects are doing so hoping the public entity is forced to award contract even though the prices are significantly higher than historical prices.

Based on discussion with several contractors the perception is this condition of too much work in the marketplace is likely to persist for the next several months.

Another factor that appeared to affect the bids on the project was concern regarding the rock interface for the two tunnels. The project includes a tunnel under Army Post Road and a tunnel under Iowa Highway 5. The sewer at both of the tunnels located just above the rock. At least two tunnel subcontractors have suggested the City evaluate the method of construction or the elevation of the sewer to address the concern regarding the potential impact of the rock interface.

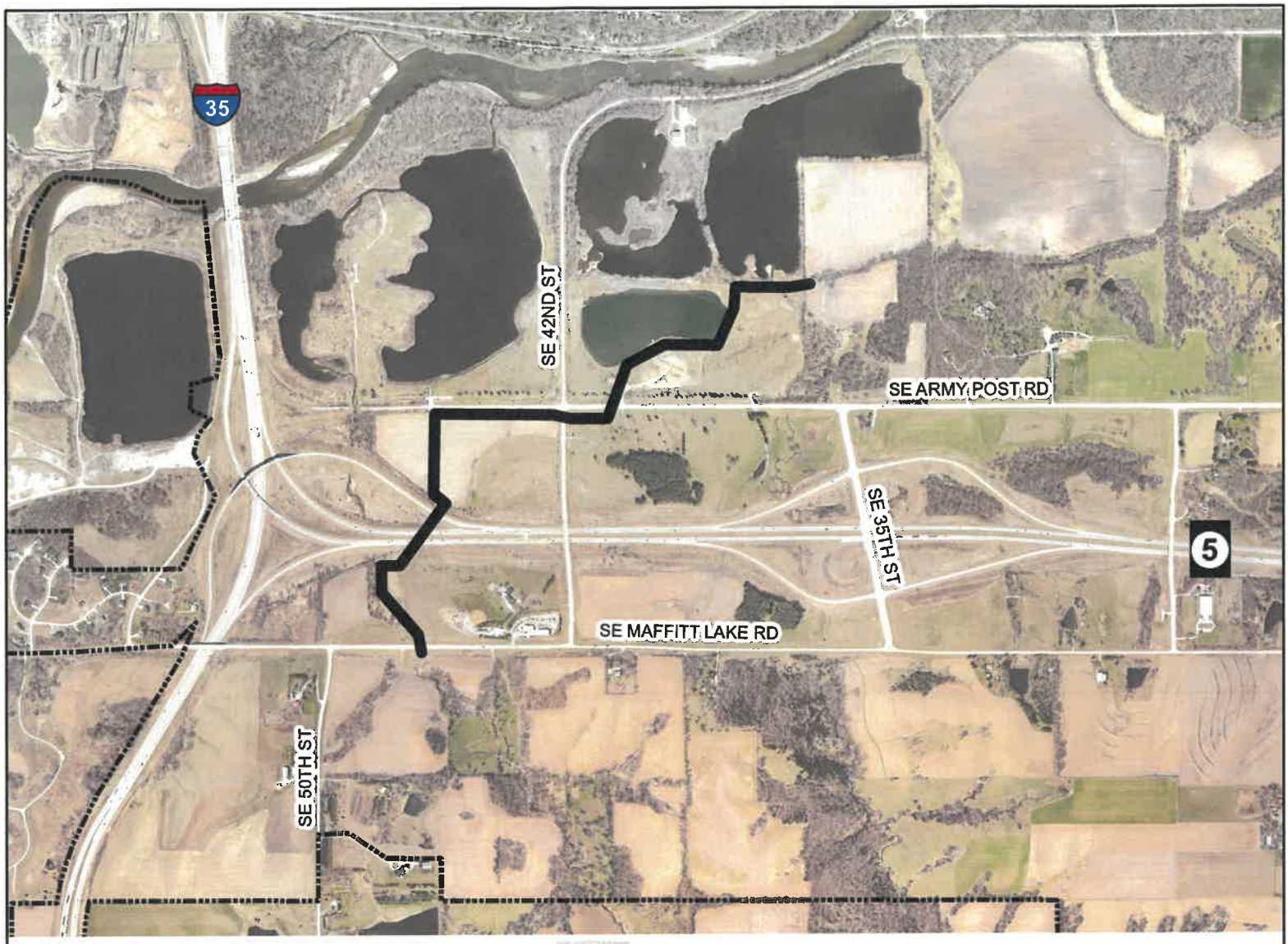
Based on the bids received, it is recommended the City reject all bids. For this project it is not recommended the City rebid the project at this time. It is suggested the City defer rebidding the project for at some period of time to allow market conditions to improve. At the same time the City can evaluate whether it is feasible to address the concerns regarding the elevation of the sewer in relationship to the rock interface.

If you have any questions or comments concerning the project, please contact the writer at 515-225-8000, or bveenstra@v-k.net.

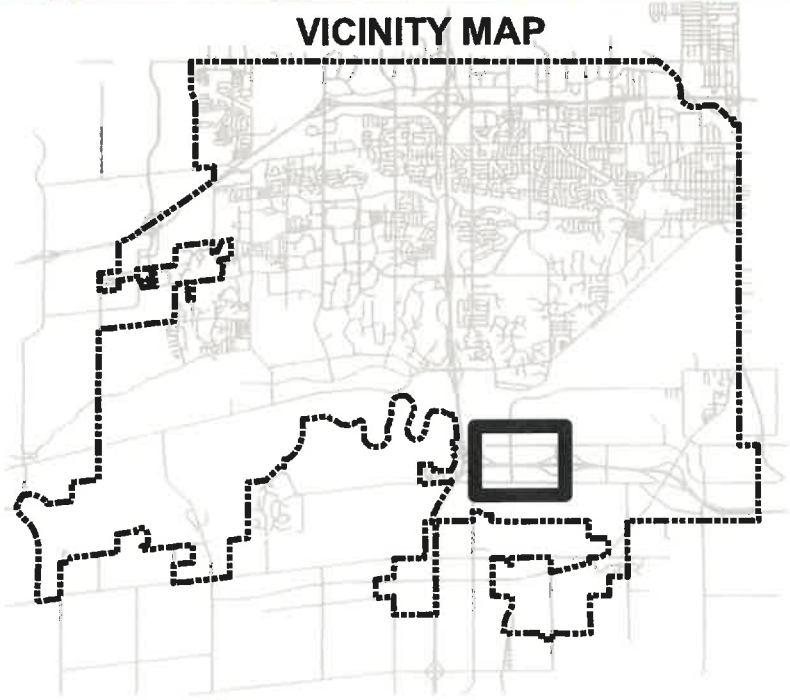
VEENSTRA & KIMM, INC.

H. R. Veenstra Jr.

HRVJr:rdp
102248
Enclosure



VICINITY MAP



LEGEND

PROJECT LOCATION

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W E
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THE CITY OF WEST DES MOINES

PROJECT:

South Service Area Segment 4 & 10 Sewers

LOCATION: Exhibit "A"

DRAWN BY: JPM	DATE: 2/7/2022	PROJECT NUMBER/NAME: 0510-007-2020	SHT. 1 of 1