



Legislation Details (With Text)

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Title: *Consideration of a Resolution No. 2018-01 Awarding the Construction Contract (COF Contract No. 2017-0264) to Kiewit Infrastructure South Co. in the Amount of \$132,380,000.00 With the Addition of the Alternate of A Jet Mixing System in the Equalization Basin in the Amount of \$510,000.00 for the Water Reclamation Facility Modifications and Expansion Project for a Total Recommended Project Amount of \$132,890,000 (6/26/18 WS).

Sponsors: Eric Stuckey, Mark Hilty, Michelle Hatcher

Indexes:

Code sections:

Attachments: 1. 2018-01 RES Kiewit Award WRF_with bid award letter, 2. 20180625_PPT_Re-Bid Contingent Award Presentation (CLEAN)_V5

Date	Ver.	Action By	Action	Result
7/10/2018	1	Board of Mayor & Aldermen	approved	Pass
7/10/2018	1	Work Session	acknowledged	
6/26/2018	1	Work Session	referred	

DATE: June 19, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator

SUBJECT:

*Consideration of a Resolution No. 2018-01 Awarding the Construction Contract (COF Contract No. 2017-0264) to Kiewit Infrastructure South Co. in the Amount of \$132,380,000.00 With the Addition of the Alternate of A Jet Mixing System in the Equalization Basin in the Amount of \$510,000.00 for the Water Reclamation Facility Modifications and Expansion Project for a Total Recommended Project Amount of \$132,890,000 (6/26/18 WS).

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning construction of the Water Reclamation Facility Modifications and Expansion Project.

Background

The original bids for the Water Reclamation Facility Modifications and Expansion Project were received on January 4, 2018, at 2:00 p.m. Central Time and subsequently publicly opened in the Boardroom of City Hall.

The bids received were well above the anticipated costs at approximately \$151 million. In February 2018, the BOMA rejected all bids. Staff and the design team worked over the next few months to review the design and bid package to identify cost reduction strategies. As a result of this effort, it was expected that \$10 to \$15 million could be eliminated from project costs.

Bids for the revised package were received on June 18, 2018, until 2:00 p.m. Central Time and subsequently opened. The bidders and their Total Bids are summarized in the certified, attached, Bid Tabulation. The bids are listed in the table below in numerical order, with the low bidder listed first.

Bidder		Total Bid
1	Kiewit Inf	\$132,380,000
2	Garney C	\$134,736,600
3	Oscar Re	\$138,867,564
4	Brasfield	\$148,805,824

Each bidder acknowledged receipt of the six Addenda issued for this project and supplied a Bid Bond in the amount of 5 percent of the Total Bid. Bids for this project are to remain firm for a period of 90 calendar days, excluding Saturdays, Sundays, and legal holidays after the actual date of the opening of the bids; the bids will expire on October 24, 2018.

Kiewit Infrastructure South Co. was the only bidder to submit evidence that it had contacted, in letters sent and tracked via Federal Express, at least 10 certified Disadvantaged Business Enterprise (DBE) subcontractors, professional service providers, suppliers, and/or equipment vendors in order to solicit their subcontract participation in the work. This evidence must be provided in accordance with the State Revolving Fund (SRF) Loan Program's Bidder's Requirements for Solicitation and Documentation of DBE Participation, found in Section 00801, SRF Contract Requirements; however, it is not required to be submitted with the bid package. The omission of this information from the other three bidders' bid packages is not grounds for rejection of their bids.

The City and CDM Smith discussed the prices Kiewit entered in Part 4, Additive and Deductive Alternates for Bid. Staff recommends accepting Additive Alternate A (Addition of Jet Mixing System to EQ Tank) for Kiewit's proposed price of \$510,000. No other Additive or Deductive Alternates are recommended at this time. The addition of \$510,000 to Kiewit's Total Bid of \$132,380,000 results in a contract amount of \$132,890,000.

Although the bid from the lowest, responsive, responsible bidder, Kiewit Infrastructure South Co., contained irregularities, these irregularities do not preclude the City from accepting the bid, and we otherwise found the bid package to be responsive, professional and acceptable. Accordingly, CDM Smith recommends that the City issue a Notice of Award, contingent upon Tennessee SRF Loan Program approval, to Kiewit Infrastructure South Co. for the Franklin WRF Modifications and Expansion Project.

The rebid of this project provided bids approximately \$19,000,000 lower than the initial bid received in January 2018.

Financial Impact

The total base cost of the expansion and upgrades project is \$132,380,000. Should the BOMA consider the

recommended additive alternative, the cost for the project would be \$132,890,000.00.

As the BOMA is aware, the City has secured loans through the State Revolving Fund program for \$100,000,000 with principle forgiveness of \$225,000 for this project.

Staff and consultants are currently evaluating alternatives to fund the balance of the project. Several years ago, the City established the second of two 5-year rate plans designed to accommodate this strategic project. As anticipated at the start of the second 5-year plan, the City has accumulated funds that can be used to help fund a portion of the remaining project cost. In addition, staff is looking at the potential for additional SRF loan funds and the potential use of bonds during the 42 month construction period.

Recommendation

Staff recommends acceptance of the Kiewit Infrastructure South Co. bid in the amount of \$132,380,000 with the additive alternative in the amount of \$510,000 for a total cost of \$132,890,000 through the approval of resolution 2018-01 awarding the project based upon review and approval of the SRF.