



Legislation Text

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DATE: January 16, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Mark Hilty, Assistant City Administrator - Public Works
Michelle Hatcher, Water Management Director

SUBJECT:

*Consideration of the Rejection of Bids for the Water Reclamation Facility (COF Contract No. 2017-0264)
Deferred from 01/23/18 BOMA.

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning bids for construction that we've received and opened January 4th, 2018.

Background

Bids for the above referenced project were received on January 4, 2018, at 2:00 p.m. Central Time and subsequently publicly opened in the Boardroom of City Hall. During the design phase (July 2015), CDM Smith, the project design engineer/consultant, developed an Opinion of Probable Construction Cost (OPCC) of approximately \$108 million, however the bids that were received were significantly higher in costs. The three lowest bids were all in the \$150 million range.

Each bidder acknowledged receipt of the 12 Addenda issued for this project and supplied a Bid Bond in the amount of 5 percent of the Total Bid, however each of the four Contractor's bid packages included some form of discrepancy. The bid tabulation is attached to this item.

The bids received were significantly higher than the opinion of probable cost. Since bid receipt, City staff and CDM Smith have been evaluating the different elements of the plans and specifications to identify causes for the differences in costs. This has been an extensive process to include refining specific design elements, materials selection, warranty and spare parts requirements, and other aspects of the project. The consultant also met with all the bidders and several key subcontractors to gain their feedback on the bid specification and opportunities to garner project savings and enhance competition among potential bidders. While this work continues, it is estimated that rebidding the project that includes these changes could realize a savings of approximately \$10M - \$15M.

An additional consideration is project schedule. Based on the analyses described above the proposed plan includes bidding in April 2018 and initial presentation of bids at the BOMA Work Session in June. This schedule would likely result in starting the project in the fall of 2018.

Financial Impact

No financial impact from the construction contract is anticipated now, however, there will be cost incurred for CDM Smith for redesign and revision to the design documents (drawings and specifications). Staff expects to have a proposal to present to the BOMA in March.

Recommendation

Staff recommends rejection of the bids received January 4th, 2018 and rebid of the project later this year.