

STAFF REPORT

For Meeting of April 27, 2015

MAYOR AND MEMBERS OF THE CITY COUNCIL

Agenda Item #

NO. 2015-

SUBJECT:
OSU/Simplot Water
Line Project

Subject

Approve a construction contract to install the necessary improvements to the Regional Water System to provide non-potable water to the OSU Hermiston Experiment Station (OSU) and to J.R. Simplot Company (Simplot).

Summary and Background

In 2014 discussions were started with both OSU and Simplot about the possibility of getting them non-potable water through the RWS. Those discussions have progressed in a positive way and are now ready to come to fruition.

OSU annexed into the City last year and now we will bring them non-potable water that will allow them to add 2 to 4 new crop circles for research purposes. Simplot in the past was a potable water user from the RWS. They have requested the ability to convert their potable water usage to non-potable and to increase the amount of water needed from approximately 900gpm to their full contractual allocation of 2000gpm.

There have been a number of design issues and timing issues that delayed the design of this project. All of those issues have been resolved and we are ready to construct the water line.

Fiscal Information

The bid amounts are included in the attached letter from MWH, the RWS system engineer.

Alternatives and Recommendation

Alternatives

1. Award the OSU/Simplot RWS project contract to C&E Trenching, LLC.
2. Award the contract to another bidder.
3. Direct staff to re-bid the project.

Recommendation

Approve C&E Trenching, LLC as the contractor for this waterline project.

Requested Action/Motion

Motion to award the OSU/Simplot RWS project contract to C&E Trenching, LLC.


Department Head- Roy Bicknell, Water Superintendent

City Manager Approval 

City of Hermiston



April 23, 2015

Mr. Byron Smith
City of Hermiston
180 NE 2nd Street
Hermiston, OR 97838

Subject: Non-Potable Water Supply Project – Summary of Bid Evaluation

Dear Byron:

This letter summarizes our review of the apparent low bid for the Non-Potable Water Supply Project. This bid evaluation was conducted following bid opening on April 21, 2015. This letter also includes a description of any remaining actions to be taken before the Notice to Proceed may be given.

BID RESULTS

The attached Bid Summary provides a summary of the bid results. A total of five bids were received, publicly opened and read aloud on April 21, 2015. The Engineer's Opinion of Probable Construction Cost was \$1.5 million. The apparent low bid was submitted by Contractors C&E Trenching, LLC (C&E) at \$1,053,399.97, which was \$361,629.99 less than the next lowest bidder, Rotschy, Inc. There was one discrepancy between the extension of one of the bid item totals as written and the actual calculation of that total bid item based on number of units times the unit price. This difference led to an increase of \$130.00 making the total bid amount \$1,053,399.97, which was still well under the second lowest bidder. Please refer to the bid summary for the list and amount for these and the other contractors that bid on this project.

Due to the very large difference between the lowest and next lowest bid values, C&E Trenching was contacted in order to confirm their commitment to their bid amount as indicated in their bid schedule. During this communication, C&E project manager Wayne Richardson indicated that they were comfortable with the bid prices and that they stand behind their bid.

REVIEW OF THE BID

A review of the C&E Trenching, LLC bid forms reveal that all of the forms were signed, notarized where needed and that everything appeared to be complete. Following discussions with Wayne and after review of the subcontractors list, MWH is of the opinion that C&E Trenching will self-perform about 50% of the project work, including the piping work.

Licensing

MWH checked with the State of Oregon Contractors License Bureau to confirm C&E Trenching's current license status. The Contractor's License Bureau confirmed the license number and that the license is current and active. C&E Trenching's bid listed three subcontractors, Extreme Coatings (coatings and mechanical), Granite (paving), Stadeli Boring (jack and bore) and PowerPro (electrical). After searching the Contractor's License Bureau it was confirmed that all listed subcontractors have current active Oregon contractor's licenses.

References

C&E Trenching provided two project references which were completed during the past five years. MWH was able to contact several references, who provided positive feedback, with few issues or complaints. MWH is of the opinion that the size and complexity of the projects C&E Trenching has performed as general contractor is sufficiently adequate and comparable to this project.

Bonding

MWH contacted the local representative of C&E Trenching surety company, Nationwide Insurance. Nationwide Insurance stated that C&E Trenching is eligible to be bonded at their bid price of \$1,053,339.97 and upward to at least \$1.2 million. Therefore, their bonding appears to be adequate for this project.

SUMMARY OF BID EVALUATION

In summary, it appears that C&E Trenching is technically qualified to undertake this project and no significant errors or omissions on the bid documents were identified. Therefore, MWH recommends that the City award the bid to C&E Trenching assuming the City's legal department agrees.

AWARD OF CONTRACT

We have attached a copy of the original bid documentation received from C&E and MWH requests that the City's legal counsel review this documentation. After legal review and approval, the City Council needs to make a resolution for award of the contract.

EXECUTION OF CONTRACT

After the City issues the Notice of Award, the selected Contractor will then provide the necessary bonds, insurance certificates, and other documents as required. Once all the necessary information is submitted, the Agreement can be executed and the Notice to Proceed can be issued.

Please call me if you have any questions concerning the above.

Sincerely,



Nick Smith, P.E.
Project Manager

Attachments: Bid Summary
Copy of Bid Documents for C&E Trenching, LLC

cc: William Lynard, MWH

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