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RESOLUTION NO. R17-45

**A RESOLUTION ACCEPTING THE BID FROM COP CONSTRUCTION
AND AUTHORIZING THE MAYOR TO SIGN ALL RELATED DOCUMENTS
FOR THE WATER TREATMENT PLANT IMPROVEMENT PROJECT
FOR THE SEDIMENTATION BASINS.**

WHEREAS, the City solicited bids from qualified firms to determine the cost to complete the City's project known as the Water Treatment Plant Improvement Project for the Sedimentation Basins pursuant to the City's Procurement Policy; and

WHEREAS, with the assistance of Great West Engineering, City Staff received three bids for the project and recommends the selection of COP Construction to complete the project as advertised for the base bid of \$7,370,410; and

WHEREAS, the City of Laurel has complied with its Procurement Policy by utilizing a competitive bid process to ensure the project cost and firm selected are in the best interest of the City in both quality and price; and

WHEREAS, the City of Laurel currently has available funding for \$5,542,036 for construction with a \$889,649 contingency for a total budget of \$6,431,685 for the project and it is in the City's best interest to proceed with this project; and

WHEREAS, City staff and its Engineers recommend the City work with the contractor to value engineer the project to reduce the bid amount to within the City's budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Laurel, Montana, the City Council authorizes staff and Great West Engineering to value engineer the project to reduce the project cost to a price not to exceed the City's available budget of \$6,431,685.

Introduced at a regular meeting of the City Council on August 15, 2017, by Council Member Dickerson.

PASSED and APPROVED by the City Council of the City of Laurel this 15th day of August, 2017.

APPROVED by the Mayor this 15th day of August, 2017.

CITY OF LAUREL

ATTEST:

Mark A. Mace, Mayor

Bethany Keeler, Clerk/Treasurer

Approved as to form:

Sam S. Painter, Civil City Attorney

BILLINGS

6780 Trade Center Ave.
Billings, MT 59101
406.652.5000 • Fax 406.248.1363
www.greatwesteng.com



July 11, 2017

City of Laurel
115 W. First Street
PO Box 10
Laurel, MT 59044

**RE: Water Treatment Plant Improvements Project
Options for Recommendation of Award**

Dear Mayor Mace and Council Members:

Great West Engineering, Inc. has reviewed the bids received on July 6, 2017 for construction of the above referenced project. The lowest responsive bidder is COP Construction out of Billings. Great West Engineering, Inc. has worked with COP Construction on past projects and checked references for them and they are qualified to complete this project. Also, the low bidder was checked for state and federal debarment listings and is not on either list.

The bid price for the base bid was \$7,370,410 while the Engineer's Estimate was \$5,542,036. The current available funding for the project includes \$5,542,036 for construction with a \$889,649 contingency for a total of \$6,431,685. This results in a total shortfall of **\$1,675,766**.

Based on these results we recommend that the City consider the following options for moving forward;

1. Secure additional funding to award the project for the bid amount.
2. Modify the project through Value Engineering in coordination with the contractor to lower the cost of the project to an amount that is feasible for the City to fund.
3. Reject all bids and rebid the project in the early spring of 2018 after evaluating additional project funding sources and potential cost savings. Construction must be completed in the fall to maintain operation of the water treatment plant throughout construction, so the project would need to be delayed until at least next fall if not constructed this year.

The budget shortfall is significant, however, Great West Engineering has identified items which could potentially be phased as separate, smaller projects, or modified to possibly reduce the cost of the project. Given the ability to work with the contractor to identify other areas of cost savings it is possible that the project cost could be lowered sufficiently for it to be feasible for the City to complete this fall/winter. Alternatively, those items could be worked into a revised project and contract to be bid in early 2018.

HELENA

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Helena, MT 59604
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Fax 406.449.8631

BOISE

3363 N. Lakeharbor Ln.
Boise, ID 83703
208.576.6646

MISSOULA

112 W. Front Street
Missoula, MT 59802
406.493.0312



Your decision will determine the schedule of the project and allow us to formulate a schedule to keep the project moving forward.

If you should have any questions, please do not hesitate to contact me.

Sincerely,

Great West Engineering

A handwritten signature in cursive script that reads "Susan Hayes".

Susan Hayes, PE
Project Engineer