

August 31, 2016

Mr. Tom Baker, Town Administrator
Town of New Castle
P.O. Box 90
New Castle, Colorado 81647

**RE: New Castle WTP Bids
Recommendation for Contract Award**

Dear Tom,

As you are aware, we opened bids for the Town's water treatment plant expansion on August 15, 2016. The Town received bids from 5 different contractors with the apparent low bid being \$1,291,377.00 and the highest bid being \$1,628,049.00. I have attached a copy of the bid results recorded during the bid opening.

The apparent low bid came from Mueller Construction of Glenwood Springs with the next lowest bid being from ConSy Construction of Rifle, Colorado. The difference between the two bids was only \$8,047.00. Because of the narrow spread that exists between the lowest and next lowest bid, staff requested statements of qualifications and references of past work performed by each. Subsequently, we interviewed both contractors to assure that all elements of the scope of work were accurately represented in their pricing. Our last interview with ConSy concluded this past Monday afternoon.

From our review of the bids and follow up with reviews of the statements of qualification, references and the interview, we determined that there were no reasons by which the project cannot be awarded to the contractor with the lowest bid, being that of Mueller Construction. Again, Mueller's bid of \$1,291,377.00 was the lowest and we are recommending award of such to them. For the project as a whole, there will be additional costs that will be extended in addition to Mueller's bid listed as follows:

1. Mueller Construction Bid:	\$1,291,377.00
2. Westech Trident Purchase:	\$553,446.00
3. Timberline Electric Plant RTU/Programming:	\$17,152.00
4. New Compressor/dryer:	\$2,000.00
Total:	\$1,863,935.00

I have also provided the following list of “options” that exist in the project scope that can be removed from the contract if we so desire to lessen budgetary impacts. These are items that will ultimately need to be done to bring the plant to full build out and if removed from the contract now, should be scheduled in upcoming years for completion. Please note the following:

1. Elk Creek Check Dam Diversion Modifications:	\$39,000.00
2. Backwash Pond Improvements/expansion:	\$55,000.00
3. Influent Raw Water Pump:	\$25,000.00
4. Trident unit #2:	\$276,955.00
Total:	\$395,955.00

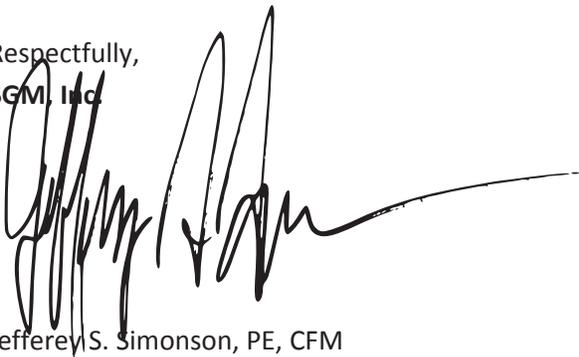
If we remove the items from above, the construction costs would drop to: \$1,467,980.00

Additional soft costs are anticipated to be added to the project for construction management, inspection and testing for this project. Once a specific schedule is received from the contractor for the work, a more specific estimate of those fees can be provided. However, assuming a 20 hour per week commitment towards CM and a net 25 weeks of construction, a budget line item of \$50,000 to \$75,000 should be applied to account for the soft costs.

In summary, in order to move this project forward, we request authorization for the expenditure of these funds from Council. If the budget allows, we would recommend fully funding the project as the line items, if removed, will certainly cost more if installed at a later date.

Upon your receipt and review, if you have any questions, please don't hesitate to contact me.

Respectfully,
SGM, Inc



Jefferey S. Simonson, PE, CFM
Town Engineer



Bid Opening Sheet

Project Name: Town of New Castle, Water Treatment Plant Expansion
 Engineers: Jeff Simonson, PE

Mon August 15, 2016 @ 2:00 pm

Project Number: 93128A-001

FIRM NAME Contact	Bid Bond	Addendum No 1	Addendum No 2	Addendum No 3	Bid Amount
SCS - Strategic Construction Solutions	✓	✓	✓	✓	1,394,600.00
Schmueser & Associates	✓	✓	✓	✓	1,531,593.00
Con-Sy, Inc.	✓	✓	✓	✓	1,299,424.00
Mueller Construction	✓	✓	✓	✓	1,291,377.00
Velocity Construction, Inc	✓	✓	✓	✓	1,628,049.00