

# City of Independence

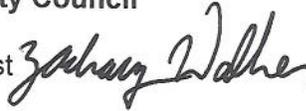
## MEMORANDUM

City Council Office

DATE: January 25<sup>th</sup>, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst



SUBJECT: Wastewater Treatment Plant & Pump Stations Improvements  
Contract 1

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Before you is an ordinance authorizing an agreement with Pyramid Excavating and Construction, Inc. in the amount of \$33,195,673.00 to construct the pump stations and holding basins improvements project. In accordance with Section 1.43.007 (D) of the City Code, I have reviewed this contract to ensure compliance with the contracting process.

Having reviewed all applicable documentation and actions related to this bid, it is my opinion that this is a satisfactory contract and that all parties have fulfilled their obligations accordingly. An invitation to bid was advertised in the Independence Examiner for three days and in the Daily Record for one day. The Bid documents included the base bid request and one Add Alternate: Add Alternate 1-Rock Creek Pump Station Grit Removal Modifications.

Bids were opened on January 17<sup>th</sup>, 2013, with five responses submitted: Pyramid Excavating & Construction, Inc., Crossland Heavy Contractors, Radmacher Brothers Excavating Co., Inc., Goodwin Brothers, and ESI Contracting Corp. Pyramid is the apparent low bidder for both the base bid as well as when Add Alternate 1 is considered. However, HDR Engineering, the City's project manager for this contract, recommends that work associated with Add Alternate 1 not be included as part of this project because it does not affect the quality of effluent from the Wastewater Treatment Plant and can be constructed in the future.

All five base bids exceeded the engineer's estimate of \$29,874,200, and the average of these five bids was \$35,151,826. The close range among these bids indicates all bidders used similar assumptions and methodologies in preparing their bids.

Pyramid Excavating and Construction is headquartered in Kansas City, Missouri and has been in operation for 20 years. The references provided by Pyramid Excavating and Construction suggest that they have participated in a number of projects regionally of similar size and scope to this particular project, including work on behalf of the Kansas City, Kansas Board of Public Utilities, the City of Riverside, Missouri, and the City of Kansas City, Missouri. Additionally, Pyramid has previously worked with the City of Independence on projects involving the Dickinson, Kentucky #1, and Kentucky #2 Pump Station Improvements. All feedback from references was found to be positive. Perhaps most significant, these references noted that Pyramid issued very few change orders to the original award, which were predominately the result of unanticipated field condition changes rather than the contractor's work.

All contract documents have been reviewed and I can find no provisions that would be considered harmful or unacceptable to the City. A bid bond has been submitted as required in the amount of 5% of the contract and the contractor agrees to complete the project within the prescribed timeline or be levied liquidated damages. The contractor will provide 5% local labor for the project, including a number of subcontractors who have previously completed a variety of work for the City. Finally, Pyramid has submitted a preliminary project schedule that indicates it

intends to meet the project milestones and is in conformance with the requirements of the project.

Please let me know if you should have any further questions regarding this matter.