

City of Independence

MEMORANDUM

City Council Office

DATE: August 5th, 2015

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst

SUBJECT: Contract Review for Missouri City Ash Pond Closure



Before you is an ordinance authorizing an agreement with Radmacher Brothers Excavating Company, Inc. in the amount of \$1,831,687.00 for the Missouri City Ash Pond Closure Project. In accordance with Section 1.43.007 (D) of the City Code, I have reviewed this contract to ensure appropriate procedures were followed in the bidding process. Please note that while the proposed contract falls below the \$2 million threshold for review as stipulated by the City Code, this ordinance authorizes change orders up to 10% that, if necessary, would exceed this amount.

Having reviewed all applicable documents and actions, it is my opinion that this is a satisfactory contract and all parties have fulfilled their obligations accordingly. Staff worked diligently to attract bidders, including placing advertisements in two area newspapers for three consecutive days as legally required.

Two vendors submitted bids: Radmacher Brothers and Rand Construction Company. Bids were requested to perform closure of the fly ash pond at the Missouri City Power Plant. The closure of the ash pond involves site preparation and grading including importing soil for fill and construction of the final cover system. The bid received by Radmacher was determined to be the lowest response from a qualified vendor, and fell below the engineer's estimated project cost of \$1,963,020.00. The bid received from Rand Construction Company totaled \$3,355,825.00, due primarily to higher sub-contractor costs. Rand Construction planned to sub-contract 95% of the project, while Radmacher plans to sub-contract 4.1% of the project.

Radmacher Brothers is headquartered in Pleasant Hill, Missouri. Radmacher has completed previous projects for the City of Independence and surrounding municipalities, including a drain and storm water collection basin installation project at the Missouri City Power Plant in 2014.

All contract documents have been reviewed and I 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 by June 2, 2016 or be levied liquidated damages of \$2,000 for every day in default. Finally, the contractor will provide 70% local labor for the project.

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

C: Robert Heacock, City Manager
Sarah Carnes-Lemp, City Clerk
Leon Daggett, Power and Light Director