

City of Independence

MEMORANDUM

City Council Office

DATE: May 29th, 2013

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst *Zachary Walker*

SUBJECT: Contract Review for 2013 Asphalt Street Overlay Project



Before you is an ordinance authorizing an agreement with Ideker Inc. in the amount of \$3,708,002.75 for the 2013 Asphalt Street Overlay Program. 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.

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 as legally required, as well as mailing notifications to 100 potential contractors and five builders associations.

Four vendors obtained contract documents and submitted bids. All four bids were below the Engineer's Estimate. However, Ideker Inc. was selected by virtue of providing the lowest response by a qualified and responsible bidder. The spread between the four bids suggests that all bidders were utilizing similar assumptions and methodologies, with one exception. The bid submitted by Ideker Inc. utilized a unit price for Portland Cement Concrete that was significantly lower than the other three bidders. Staff from the Public Works Department brought this to the attention of Ideker Inc., but were assured that the bid would be guaranteed as submitted. The terms and conditions set forth in the contract documents further serve to protect the City in accepting this bid as submitted. Though the ordinance provides for administrative change orders totaling \$370,800, any additional change orders exceeding that amount would require City Council approval.

Ideker Inc. is headquartered in St. Joseph, Missouri. In citing references to demonstrate their ability to complete this project, Ideker, Inc. has noted various overlay and rehabilitation projects completed for other jurisdictions, including Jackson County, Kansas City, and the Missouri Department of Transportation.

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, MBE participation of 18.3% has been included, and the contractor agrees to complete the project within 60 working days or be levied liquidated damages of \$2,000 for every day in default. Finally, the contractor will provide 10% local labor for the project.

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

C: Robert Heacock, City Manager
Jane Sharon, City Clerk
John Powell, Public Works Director