

City of Independence

MEMORANDUM

DATE: July 24th, 2013

City Council Office

TO: Honorable Mayor and Members of the City Council

FROM: Zachary C. Walker, Management Analyst



SUBJECT: Contract Review for 39th Street and Bridge Improvements Project

Before you is an ordinance authorizing the City Manager to enter into an agreement with Phillips Grading and Construction in the amount of \$3,348,280.57 for the 39th Street and Bridge Improvements Project. In accordance with Section 1.43.007 (D) of the City Code, I have reviewed this contract to ensure proper 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 in the bidding and contracting process. Invitation to bid was mailed to 100 potential contractors and five builders associations. Additionally, the invitation to bid was placed in two area newspapers as legally required.

Eight vendors obtained contract documents. Of these, five bids were submitted, and Phillips Grading and Construction was selected by virtue of providing the lowest response by a qualified and responsible bidder. The invitation to bid also included one alternate bid, substituting the specifications of some materials used for the project. The bid from Phillips did not include an alternate bid, which was not required. The spread between bids is reasonable and is indicative that all bidders were utilizing similar assumptions and methodologies. Moreover, all but one bidder submitted bids that were below the Engineer's Estimate.

Phillips Grading and Construction is based in Boonville, Missouri. In citing references to demonstrate their ability to successfully complete this project, Phillips Grading and Construction notes multiple projects similar to the 39th Street and Bridge Improvements. One current activity listed by Phillips is the Bly Road and Bridge Improvements project. The City's Public Works Director reported that Phillips is completing this project in a satisfactory manner.

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, Disadvantaged Business Enterprise (DBE) goals of 10% have been satisfied, and the contractor agrees to complete the project within 270 consecutive calendar days (excluding December 16th through March 15th) or be levied liquidated damages of \$1,625 per day that the work is incomplete. Finally, all bid and contract documents have been reviewed by the Missouri Department of Transportation (MODOT) as required since this project includes federal funding, and they concur with the City's recommendation to award the contract to Phillips Grading and Construction.

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

C: City Manager
City Clerk
Public Works Director