

# City of Independence

## MEMORANDUM

City Council Office

DATE: November 12<sup>th</sup>, 2012

TO: Honorable Mayor and Members of the City Council

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



SUBJECT: Rock Creek Interceptor Improvements Segment 2

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Before you is an ordinance authorizing the City Manager to enter into an agreement with V.F. Anderson Builders in the amount of \$2,642,714.00 for the construction of the Rock Creek Interceptor Improvements Segment 2 as part of the Collection System Remedial Measures Plan. This contract provides for the construction of 8,100 linear feet of gravity sanitary sewer pipe, manholes, concrete encasement, creek crossing, bypass pumping, asphalt replacement, and all other appurtenances. In accordance with Section 1.43.007 (D) of the City Code, I have reviewed this contract to ensure protocol was followed in the bidding process.

Having reviewed all applicable documentation and actions related to this bid, it is my opinion that this is a satisfactory contract and all parties have fulfilled their obligations accordingly. Invitation to bid was advertised in two area newspapers and was mailed to 100 contractors and five builders associations. One Addendum was issued to revise bid quantities, project dimensions, and other issues identified in the bid formulation process. This Addendum was issued in compliance with the bid process.

13 bids were submitted, and V.F. Anderson Builders was selected by virtue of being the lowest response by a qualified and responsible bidder. When bids were first unsealed, Hoy Excavating was found to be the low bidder. However, their proposal assumed the use of blasting in order to remove a large amount of rock that needs to be excavated as part of the project. Section 17.08.007(E) of the City Code prohibits blasting within 300 feet of various dwellings and facilities, which would preclude blasting within the proposed project site. In light of the City's review, Hoy Excavating determined it was not possible to proceed with this project as offered and requested in writing that their bid be withdrawn. At that time, the City moved to the next low bidder, which was found to be V.F. Anderson Builders.

The price range among the bids is somewhat significant, representing a \$2,357,286 spread among the low and high bidders. The Director of Public Works believes this to be reflective of each company's view of the difficulty of this project, with each perceiving varying levels of complexity and risk. It is the Director's opinion that V.F. Anderson Builders has been thorough in its assessment, understands the nature of the project, and has provided a bid that is capable of completing the project as expected and required.

The references and background information provided by V.F. Anderson Builders suggest that they have experience in gravity wastewater conveyance-related construction work. They cite five years as a general contractor and 12 years as a subcontractor in performing work of this nature. V.F. Anderson Builders lists two public projects that they have completed in excess of \$1,000,000 of similar character and scope, both for the City of Riverside, Missouri. This contractor has previously completed projects for the City of Independence. The Director of Public Works noted that most projects performed by V.F. Anderson Builders on behalf of the City have been pipeline projects, which is what this particular project represents.

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 has claimed a local labor preference by providing 10% of local labor for the work. Finally, the ordinance does allow the City Manager to execute change orders up to \$264,000 without further Council approval, which represents the typical 10% allotment provided for most projects..

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

C: City Manager  
City Clerk  
John Powell, Public Works Director