



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Construction Contract Award: North Great Falls Lift Station and Force Main - O. F. 1476.5

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Consider Bids and Approve Construction Contract

Suggested Motion:

1. Commissioner moves:

"I move the City Commission (award/not award) a contract for the North Great Falls Lift Station and Force Main, in the amount of \$728,695.00 to Falls Construction and authorize the City Manager to execute the construction contract documents."

2. Mayor calls for a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation: Approve construction contract award to Falls Construction.

Background:

Significant Impacts

The project consists of extending the City's public sewer system to serve a residential growth area of the City generally located north of 36th Avenue NE and extending westward to 6th Street NW. This area includes the recently approved Thaniel and West Ridge Additions. Work scope in this project includes a new waste water lift station and associated force and gravity mains.

Citizen Participation

In recent years, City staff has had numerous discussions with area developers regarding installation of a wastewater lift station to serve several hundred acres of land that had been proposed for development but was located down slope of the City's existing gravity system. Agreement was reached for the City to design and construct improvements to serve the area, with each developer reimbursing the City for their share of the cost of improvements. The Thaniel and West Ridge Additions Improvement Agreements each include provisions for reimbursing the City for each subdivision's share of the project

costs. Each of those subdivisions has granted easements for the utility main extensions and land for the lift station site.

Workload Impacts

City staff has worked closely with DOWL Engineering in completing a survey, preliminary design, easement documents, and final plans and contract documents for this project. It is anticipated that DOWL Engineering will provide construction phase surveying and assist City engineering staff with construction phase services on the lift station. City engineering staff will perform construction inspection and administrative duties.

Purpose

The project will construct public wastewater facilities to serve a majority of the West Ridge and Thaniel Addition master plan areas and other surrounding areas with development potential. This project will equip the lift station with pumping capacity able to serve 450 single family homes with the station capable of being expanded in the future to ultimately serve an estimated 1,135 homes which will occupy approximately 480 acres.

Project Work Scope

The project work scope generally consists of the following items and quantities: 1) a new duplex pump submersible lift station with initial 250 gallons per minute capacity and provisions for expansion to 600 gallons per minute, 2) 5,250 lineal feet of 6 inch diameter force main, 3) 2,290 lineal feet of 8-inch diameter gravity sewer main including appurtenant manholes, 4) gravel access road to the lift station, 5) grading, seeding and fencing of the lift station site and, 6) restoration of disturbed utilities, roadways and agricultural land.

The project is scheduled to begin no later than April 1 with 100-calendar days allotted for completion. The substantial completion date is set for no later than July 10, 2016.

Evaluation and Selection Process

Eleven bids were received on March 9, 2016 with the bids ranging between \$689,481.25 and \$1,160,551.00. Central Excavating (Central) submitted the low bid; Falls Construction submitted the next lowest bid in the amount of \$728,695.00.

A long standing Montana Supreme Court decision, allows the City to evaluate bids in its best interest, considering the concept that the "lowest responsible bidder" does not merely mean the lowest bidder whose pecuniary ability to perform the contract is deemed the best, but the bidder who is "most likely in regard to skill, ability and integrity to do faithful, conscientious work, and promptly fulfill the contract according to its letter and spirit." *Debcon, Inc. v. City of Glasgow*, 2001 MT 124, P39, 305 Mont. 391, 399, 28 P.3d 478, 484, 2001 Mont. LEXIS 191, *18-19 (Mont. 2001). The Supreme Court also stated that the public works statute requiring that contracts be "let to the lowest responsible bidder" was enacted "for the protection of public interests and must be complied with by the municipal authorities for the benefit of the public." *Id.* at P 38. Therefore, the City may reject the low bid, and award the contract to the next lowest bidder who demonstrates an acceptable level of judgment, "skill, ability, capacity, and integrity".

Unlike the vast majority of contracts that have been awarded over the years, staff is

recommending that this contract not be awarded to the lowest bidder (Central) based upon staff's opinions and experience regarding the low bidder. By contrast, the City has had a long history of successful projects with Falls Construction (the second lowest bidder); a recent example is the project involving the AgriTech lift station and utility mains along 18th Avenue North, which is nearly identical to this project.

Staff's observations regarding the low bidder's performance on two recent projects (Lift Stations #2, #20 and #24 Can Replacement and Misc. Improvements, O.F. 1457.8; and Hill 57 Pump Upgrades, O.F. 1625.3) have raised concerns including:

1. Safety concerns during the Lift Station #2 project, one of which resulted in an industrial electric shock injury regarding a Veolia employee.
2. Traffic control and excavation shoring concerns identified numerous times by the consultant (NCI Engineering) and the City and the timeliness of the contractor's response to those concerns.
3. General concerns regarding construction practices resulting in extended construction time, additional damage to surrounding areas that needed to be repaired, and inspection difficulties.
4. Staff concerns regarding dewatering practices to control ground water inflows resulting in sediment being discharged downstream of the Lift Station project areas.
5. Issues with project management resulting in the Lift Stations project reaching substantial completion 68 days after the contract time.
6. Issues and problems with the Hill 57 pump station project resulting from the installation of two pumps that did not pass the City's consultant's testing and ultimately had to be removed and replaced.
7. Staff's concerns regarding the final completion of the Hill 57 pump station project including but not limited to the fact that the City still has not received the required operation and maintenance manuals.

Conclusion

City staff recommends awarding the contract to Falls Construction in the amount of \$728,695.00. The consultant, DOWL Engineering, agrees with this recommendation.

Fiscal Impact:

The attached bid tabulation summarizes bids that were received.

The Improvement Agreement for West Ridge Addition Phases VII through XI includes provisions for reimbursement for the lift station and force main estimated to be \$1,009 per lot and the gravity sanitary sewer extension estimated to be \$49,855. The Improvement Agreement for the Thaniel Addition Major Subdivision Phase 1 includes a provision for reimbursement for the lift station and force main estimated to be \$1,009 per lot and the gravity sanitary sewer extension estimated to be \$149,565. Actual reimbursement will be reconciled based on the actual cost of the project and miscellaneous costs to furnish electrical power and telephone to the lift station.

Alternatives:

1. The City Commission could vote to award the construction contract to Central Excavating, who submitted a bid that was \$39,213.75 less than Falls Construction. For the reasons stated above, staff does not recommend this alternative.
2. The City Commission could vote to deny award of the construction contract and re-bid or cancel the project. However, the City has made commitments under the above referenced Improvement Agreements that could put the City at risk of violation of those agreements if the project were to be delayed or canceled. Also, a delay in the project would impact the occupancy of homes now under construction.

Attachments/Exhibits:

1. Bid tabulation is attached.

CITY OF GREAT FALLS ENGINEERING
 P.O. BOX 5021
 GREAT FALLS, MT 59403

BID TABULATION SUMMARY

OFFICE FILE 1476.5
 NORTH GREAT FALLS LIFT STATION & FORCE MAIN

BIDS TAKEN AT CIVIC CENTER

DATE: 9-MAR-16

TABULATED BY: KARI WAMBACH

	NAME & ADDRESS OF BIDDER	ACKNOWLEDGE ADD. #1	ACKNOWLEDGE ADD. #2	10% BID SECURITY	CERTIFICATE OF NON-SEGREGATED FACILITIES	CERTIFICATE OF COMPLIANCE WITH INSURANCE REQ.	TOTAL BID
1	CENTRAL EXCAVATING 3701 RIVER DRIVE N GREAT FALLS, MT 59405	√	√	√	√	√	\$689,481.25
2	FALLS CONSTRUCTION 1001 RIVER DRIVE GREAT FALLS, MT 59401	√	√	√	√	√	\$728,695.00
3	UNITED MATERIALS, INC. P.O. BOX 1690 GREAT FALLS, MT 59403	√	√	√	√	√	\$1,005,777.00
4	PHILLIPS CONSTRUCTION 2607 9TH AVENUE NW GREAT FALLS, MT 59404						DID NOT BID
5	GERANIOS ENTERPRISES PO BOX 2543 GREAT FALLS, MT 59403	√	√	√	√	√	\$985,629.49
6	EDK ENGINEERING & CONST 79579 COUNTRY CLUB BERMUDA DUNES, CA 92203	√	√	√	√	√	\$1,108,102.00
7	ED BOLAND CONST. PO BOX 7107 GREAT FALLS, MT 59406						DID NOT BID
8	INTERMOUNTAIN CONST. SVCS. 2101 YALE AVENUE, SUITE C BUTTE, MT 59701	√	√	√	√	√	\$1,160,551.00
9	NORTHWEST GRADING 6960 NORTH 4TH STREET DALTON, ID 83815	√	√	√	√	√	\$738,607.58
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1	KUGLIN CONSTRUCTION P.O. BOX 491 BLACK EAGLE, MT 59414	√	√	√	√	√	\$998,339.00
2	SANDRY CONSTRUCTION 200 BASIN VIEW ROAD BIGFORK, MT 59911	√	√	√	√	√	\$871,015.00
3	WILLIAMS CIVIL CONSTRUCTION 2131 INDUSTRIAL DRIVE BOZEMAN, MT 59715	√	√	√	√	√	\$790,062.50
4	CK2 CONSTRUCTION 7720 SHEDHORN LANE, SUITE B BOZEMAN, MT 59718	√	√	√	√	√	\$909,671.00
5	LOENBRO 1900 32ND AVENUE NE BLACK EAGLE, MT 59414						DID NOT BID
6							
7							
8							
9							
10							