



CITY OF MARSHFIELD

MEETING NOTICE

**AGENDA**  
**SPECIAL BOARD OF PUBLIC WORKS**  
**CITY OF MARSHFIELD, WISCONSIN**  
**TUESDAY, JULY 22, 2014 at 6:15 PM**  
**COUNCIL CHAMBERS, CITY HALL PLAZA**

1. Call meeting to order – Chairman Feirer
2. Citizen Comments
3. Consideration of Award of bid for Contract 2014-02 – West 26<sup>th</sup> Street (Central Avenue to Wittman Avenue) and Hume Avenue (McMillan Street to the North) – Presented by Tom Turchi, City Engineer
4. Recommended items for future agendas
5. Adjournment

**Posted this 18<sup>th</sup> day of July, 2014 at 4:00 PM by Daniel G. Knoeck, Director of Public Works**

NOTE

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*It is possible that members of and possibly a quorum of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information; no action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.*

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*Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request this service, contact Mary Anderson, Public Works Department at 630 South Central Avenue or by calling (715) 387-8424*

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City of  
Marshfield

# Memorandum

**TO: Board of Public Works**  
**FROM: Tom Turchi, City Engineer**  
**DATE: July 17, 2104**  
**RE: Bid Summary and Award for Contract 2014-02**

## BACKGROUND

Bids were opened for the above project on Wednesday, July 16<sup>th</sup>, 2014. The low bid was submitted by **Earth Inc. of Arpin, Wisconsin** in the amount of **\$ 366,058.45**.

Only one bid was received and is shown in the following table:

Earth Inc. 4362 Dairy Road Arpin, WI 54410	\$ 366,058.45	Bid Bond Yes
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## ANALYSIS

After opening these bids we compared them to North Street and these bids are approximately 25% higher. There are several reasons that could account for these higher unit bid prices such as the truncated timetable needed to install the sewer and water on Hume Avenue to meet the developers time schedules or that the bidding contractors have full construction schedules which will not allow them to take on extra work or to take the extra work requires additional costs. I contacted a representative from Earth, Inc. and they stated that the primary reasons for the higher costs are due to the truncated time schedule of the Hume Avenue Project and their ability to fit these projects into an already busy construction season. On Hume Avenue the estimated costs were originally based upon 200 linear feet of street opening but after receiving plans from the developer a 300 linear feet of street opening project was a better fit to their design plans.

As a side note we sent a copy of the ad for bid to all contractors who were prequalified to bid in the 2014 construction season. Other than Earth, Inc. only A-1 Excavation, Inc. took out plans but they stated that they were too busy to fit this project into their schedule. Haas Sons, Inc. our contractor on North Street was not interested in taking out a set of plans due to the timetables and an already overcrowded construction schedule.

The costs to construct these projects as bid are greater than their budgets. The following is a break-down of the as bid costs versus the budgeted dollars:

### **W 26<sup>th</sup> Street – Central Avenue to Wittman Avenue**

- As Bid - \$ 163,289.45
- As Bid with Asphalt - \$188,005.49
- Budgeted – \$ 144,000
- Shortfall - \$ 44,005.49 + \$ 9,500(engineering) = **(\$ 53,505.49)**

### **Hume Avenue – McMillan Street to the north.**

- As Bid – \$ 202,769.00
- Property Acquisition - \$ 44,800
- As Bid with Asphalt (Street) - \$ 99,126.00
- As Bid Water - \$ 44,375.00 – (Water Utility Cost \$ 8,450) = \$ 35,925.00
- As Bid Storm - \$ 44,504.00

- As Bid Sanitary - \$ 27,880.00
- Budgeted - \$ 150,000.00
- Shortfall – \$ 99,126 + \$ 35,925 + \$ 44,504 - \$ 150,000 = \$ 29,555.00 + \$ 15,000(engineering)
- Shortfall Cont. – **(\$ 89,355.00)**

There are several options the Board of Public Works can consider in addressing these shortfalls and I will go through these options and their pros and cons for discussion purposes.

#### *Option 1*

Bring a budget resolution to the Common Council for their consideration to fund the shortfall (**\$ 142,860**) in its entirety.

- Pro – the work gets done this year meeting the schedule set forth by the contract.
- Con – we pay approximately 25% premium to get this work done.

#### *Option 2*

Same as option 1 but postpone two mill and over lay projects (Apple Ave – 15<sup>th</sup> to 17<sup>th</sup> - \$ 60,000) and (Cherry Avenue – Cleveland to Edison - \$ 68,000) and transfer funds from these projects to help fund the shortfall and fill the remaining shortfall by contingency in the amount of (**\$ 14,860**).

- The pros and cons are identical to option 1 other than less money is requested through contingency and two needed street projects are no longer funded in 2014.

#### *Option 3*

Request that Earth, Inc. accept and amended contract to install only the water and sewer to the development on Hume Avenue and postpone, then re-bid the remaining work in the spring of 2015 in the hope of receiving better unit bid prices.

- Pro – the new development has sewer and water necessary for development of the proposed apartment complex.
- Con – access for the development would be forced to utilize the emergency entrance to McMillan Street on the west end of the project until Hume Avenue could be constructed in 2015. There is no guarantee that we would see a reduction on unit prices next spring but I would anticipate we would see more competition with the bids.
- The water utility and the street division were asked if they would be able to install the sanitary sewer and water mains yet this year if the city were to not award the contract. Dave Wasserburger stated that they would not be able to do this with current staffing levels and the large amount of work they still have scheduled for this summer. The street division felt with the removal of the Apple Avenue and Cherry Avenue projects that they would be able to install the sanitary sewer main.
- Earth, Inc. was contacted to see if they are interested in accepting a reduced contract and only install the sanitary sewer and water mains this year. They stated that they would most likely need additional monies for mobilization for the reduced size of the overall contract. Their bids were based upon the amount of work and breaking the project up only reduces the cost effectiveness of construction.

#### *Option 4*

Reject the bid and re-bid this work with a bid opening in August.

- Pro – there are no guarantees that we would see better bid prices or additional competition.
- Con – This delays water and sewer service into mid to late September and delays the developer's ability to begin renting finished apartments. In the next bid we also may get no bidders leaving us with a project that can't be completed. The developer has told the city that it is his intention to begin renting in September of this year.

#### *Option 5*

Reject the bid and re-bid this work next spring.

- Pro – we may get better bid prices, more competition and the project may be closer to the budgeted dollars.
- Con – we cannot supply the water and sewer service to the new development and the developer is unable to begin renting finished apartments. Construction costs are continuing to rise and the savings

may not be as significant. As previously stated the developer has told the city that he wants to have units available to rent by September of 2014.

**RECOMMENDATION:**

**I recommend option 2 and award the contract as bid to Earth Inc. in the amount of \$ 366,058.49 and authorize the execution of a contract.**

**I further recommend that we postpone the Apple Ave – 15th to 17th mill and overlay project at \$ 60,000 and the Cherry Avenue – Cleveland to Edison mill and overlay project at \$ 68,000 and transfer the remaining \$ 14,860 from contingency to offset the projected shortfall and prepare the proper budget resolution to reallocate funds as noted above for Common Council consideration.**

Respectfully submitted,

*Thomas R. Turchi*

Thomas Turchi

Concurrence:



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Steve Barg, City Administrator



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Daniel G. Knoeck, P.E. Director of Public Works