

March 10, 2014

Mr. Todd Merchen, P.E.
Civil Engineer – Project Manager
City of Gillette
201 East 5th Street
Gillette, WY 82717

Project: Gillette Avenue Improvements, 13EN01

RE: Bid Award Recommendation

Dear Mr. Merchen,

HDR has reviewed the bid forms and bid bonds submitted for the above referenced project. The original bids and bid tabulation sheet are attached for your use.

Due to the size and complexity of this project, a prequalification process was completed prior to bidding that resulted in five approved prime contractors. Of these five, only three submitted responsive bids on February 26th including S&S Builders, Concrete Works of Colorado and Interstate Highway Construction. All bids were submitted on time and had the required Bid Bond. The S&S Builders bid was from a resident contractor and included a Residency Certificate. There were two Addendums which were acknowledged by all bidders. During our bid evaluation, there were no discrepancies found with the bid requirements as outlined in the Instructions to Bidders.

The bids for the project ranked as follows:

The Engineer's Estimate was	\$ 6,592,012.50
The low bidder was S&S Builders at:	\$ 7,372,815.41
The second low bidder was Concrete Works of Colorado at:	\$ 8,500,327.15
The third low bidder was Interstate Highway Construction at:	\$ 8,874,349.90

The results indicate the low bid was 11.8% over the Engineer's Estimate. The Engineer's Estimate was assembled using the project quantities and average unit prices from past projects of similar type and size in the City and surrounding area. Additionally, HDR contacted local Gillette paving and underground contractors about their suggestions on what prices could be expected on a specialized project like Gillette Avenue. They indicated they would be in the upper end of those historical unit prices due to the difficulty and schedule of the project. The engineers estimate was assembled accordingly, and upon comparison with the low bidder, the two key areas that the contractor's bid was significantly higher were the Mobilization costs and Underground Utility items.

HDR contacted bidders to inquire about these specific items and found a general explanation on the Mobilization was that costs were added into typical mobilization prices to account for several risk items on the project such as working in a highly public area, working adjacent to existing structures, and to

account for schedule concerns and potential disincentives. For underground items, HDR discussed a few select prices for key items and assembled them using the upper end of historical unit prices. It was indicated that multiple subcontractors bid on the project, however, this was considered a difficult project with an aggressive schedule for the utility work which led to higher unit prices outside of the typical range. It was also noted that due to the underground portion of the project being greater than 30% of the total bid, out of state contractors were not contacted or considered as sub-contractors.

HDR has reviewed potential value engineering items or project modifications that could produce cost savings, but did not identify any feasible solutions that would bring project costs down to the previous estimates without removing critical portions of the work. We believe that a project rebid would delay the planned start date and impact the projected schedule, and with the large amount of other construction planned in the area for 2014 the expected prices would be as much or greater than the current bid prices. Extending the allowed time for construction phases of the roadway as a potential cost saving option was discussed with City staff. While these cost savings would likely lower the project bids, they would be offset by the additional closure time and impacts to the business owners on this important city corridor.

S&S Builders have been contacted and are comfortable with their bid. They have worked on many projects for the City of Gillette and have performed quality work. HDR has maintained a good working relationship with them in the past. Based on the above evaluation, HDR recommends that the City of Gillette award the project to S&S Builders for the Base Bid amount of \$ 7,372,815.41 without Bid Alternate #1 or Bid Alternate #2 if adequate funds are available for the project.

If you have any questions or comments concerning this recommendation, please call.

Very Respectfully,



Jody W. Page, P.E.
Project Manager

Enclosures: Bid Tabulation