



April 13, 2015

Levi Jensen, P.E.
Utility Project Manager
City of Gillette
P.O. Box 3003
Gillette, WY 82717

**RE: Gillette Regional Water Supply Project – Phase I District Extensions (12UT05)
Engineer’s Recommendation for Project Award**

Dear Levi,

The purpose of this letter is to provide to the City of Gillette the Engineer’s recommendation for award of the Phase I District Extensions Project. A bid opening for this project was conducted on Thursday April 9, 2015 at City of Gillette Purchasing. The following is a brief summary of our post-bid activities for this project.

Review of Bids. Below is a list of the five bids that were received for this project.

1. Redpoint Contracting\$5,580,150.00
2. Western Municipal Construction\$6,451,460.00 (corrected)
3. SJ Louis\$8,047,275.00 (corrected)
4. Mountain View Building\$6,422,145.00
5. DRM\$6,164,366.75

The low bidder is Redpoint Contracting with a total bid of \$5,580,150.00. The low bid is under the overall budget for construction.

We have tabulated all bids and formatted them in an Excel spreadsheet for price verification and comparison purposes; a copy of the spreadsheet is attached. Redpoint’s overall bid is about 10% under the next lowest bidder and most of their bid items are well under the averages for the project. There were numerical errors found in the bids for Western Municipal and SJ Louis, but these had no effect on finish order. The total low bid is about \$1,500,000.00 lower than our estimate of the probable construction cost. The second low bid total for the project by DRM is \$584,216.75 higher than the low bid, but still well under the estimate.

Redpoint's bid package included a completed and signed Bid Form and Bid Security in the form of an original Bid Bond. Redpoint is registered as a foreign LLC under the name Action Direct LLC with the Wyoming Secretary of State's Office, with their official place of business listed as Anthem Arizona.

Wyoming Residency. Redpoint is not claiming Wyoming Residency for an in-state preference on this project. DRM was the second-low bidder and their bid is more than 5% greater than Redpoint's, so Wyoming Preference is not a consideration in this recommendation for award.

Contractor Licensing. Redpoint is not a licensed City of Gillette Contractor, so they will need to obtain appropriate licensure from the City prior to starting construction.

Review of Contractor References. To the best of our knowledge, Redpoint has not performed work for the City of Gillette in the past and DOWL has no prior experience with this contractor. In order to get a better idea of Redpoint's qualifications and experience, DOWL contacted parties involved with 3 current or prior projects for which Redpoint was the general contractor as follows:

- Medicine Bow Waterline Replacement Project. WWDC-funded project. 8.6 miles of 12" transmission line and over 7,000 feet of 8" distribution lines. I spoke with Keenan Herndon of WWDC and a representative from Sunrise Engineering, the consultant on the project.
- Switzer Canyon Transmission Replacement Project. Flagstaff, Arizona. 4,500 feet of 20" transmission main. I spoke with the project engineer from the City of Flagstaff.
- Erie Lake By-Pass. Erie, Colorado. 36" transmission main. I spoke with the consulting engineer on the project – JVA out of Colorado.

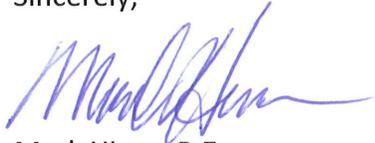
All parties indicated Redpoint has qualified staff working on projects, has completed or is completing projects on-time and on-budget. No major concerns were expressed regarding change orders or claims. It sounds like the Medicine Bow project went particularly well. It appears Redpoint staffs projects with a core crew and equipment from in-house staff and then hires local labor as needed. Based on these discussions and the project experience list provided by Redpoint, it appears they are adequately qualified for this project. I have attached a list of previous work experience from Redpoint that summarizes their work history on similar projects.

In summary, DOWL has performed our post-bid evaluation of the bids and other requirements and it appears we have a low bid under the City's budget. In talking with Joe Hintz with Redpoint (Director of Operations for their southwest region), he indicated Redpoint is comfortable with their bid numbers and they are ready to proceed with the project.

It is therefore the recommendation of DOWL that the City of Gillette award the contract for the Gillette Regional Water Supply Project – Phase I District Extensions to Redpoint Contracting, for a total amount of \$5,580,150.00.

Please call if you wish to discuss any aspects of this project, the bids, or the contractor. We look forward to starting the construction phase and seeing this project successfully completed for the City, WWDC and our community.

Sincerely,



Mark Hines, P.E.
Project Manager

Attachments

