

Committee Report

Business Item No. 2014-115

Environment Committee

For the Metropolitan Council meeting of May 28, 2014

Subject: Authorization to Award and Execute a Construction Contract for Seneca Area System Rehabilitation – Phase 2, MCES Project No. 808020, Contract No. 14P028
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Proposed Action

That the Metropolitan Council authorize its Regional Administrator to award and execute a construction contract for the Seneca Area System Rehabilitation – Phase 2, MCES Project No. 808020, Contract No. 14P028, with SAK Construction for their low bid of \$4,976,254.35.

Summary of Committee Discussion/Questions

There was discussion on why the bid differed so greatly from the engineer's estimate of \$7,658,598.15. Staff responded that some consultants seem to be over-estimating costs in order to avoid being lower than contractor bids. Internally, staff is starting to track and compare past bid results with consultant engineer's cost estimates in order to provide more accurate cost estimates.

Motion to approve the proposed action was made, seconded, and passed unanimously.

Environment Committee

Meeting date: May 13, 2014

For the Metropolitan Council meeting of May 21, 2014

Subject: Authorization to Award and Execute a Construction Contract for Seneca Area System Rehabilitation – Phase 2, MCES Project No. 808020, Contract No. 14P028

District(s), Member(s): District 15, Steven Chavez

Policy/Legal Reference: 3-3, Expenditures

Staff Prepared/Presented: Bryce Pickart, 651-602-1096; Karen Keenan 651-602-4561

Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorize its Regional Administrator to award and execute a construction contract for the Seneca Area System Rehabilitation – Phase 2, MCES Project No. 808020, Contract No. 14P028, with SAK Construction for their low bid of \$4,976,254.35.

Background

Inspection of Interceptor 3-ET-37 revealed corrosion damage in the gravity sewer. The corrosion is extensive and has resulted in significant damage to the interior concrete surfaces of the pipe and maintenance structures. The work is located in Eagan and involves cured-in-place pipe (CIPP) lining of approximately 12,500 lf of interceptor 3-ET-37. The work involves pipe sizes 30-inch to 36-inch in diameter. The contract also includes maintenance structure rehabilitation and replacement.

Four bids were received on April 16, 2014, ranging from \$4,976,254.35 to \$6,156,554.10. The engineer's estimate is \$7,658,598.15. SAK Construction submitted the lowest responsive, responsible bid in the amount of \$4,976,254.35.

The project is funded by local funds and has a Metropolitan Council Underutilized Business (MCUB) goal of 6%. The Office of Equal Opportunity has determined that SAK Construction has met the numeric goals for this contract.

Rationale

Construction contracts exceeding \$2,500,000 require Metropolitan Council authorization.

Funding

2014 MCES Authorized Capital Program

Currently Authorized: \$12,000,000

Unencumbered Funds: \$11,982,566.14

Requested Amount: \$4,976,254.35

Known Support / Opposition

No known opposition