

April 18, 2024

Veronica Meyer, PE
 Senior Project Manager
 1025 31st St. SE
 Minot, ND 58701

Subject: Westfield Watermain Replacement Project Bid Review Letter

City Project No. 4817
HEI Project No. 6027-0095

Dear Veronica:

We have completed our review of the bids received for construction of the Westfield Watermain Replacement project. Please find attached to this letter the bid tabulation for the three sealed bids that were submitted through the Quest vBid system on April 9, 2024.

Four bids total were received. However, one was rejected, and another was held unopened until further review by the City Attorney. The bid from Wagner Construction did not include a Contractor's License in accordance with the bidding requirements, and was rejected. Another bid from Dig It Up Backhoe Service included a modified Bid Form that was held for approval from the City Attorney, without revealing the bid price. After review by the City Attorney, it was determined that the submitted Bid Form included all of the original Bid Form content and was acceptable for consideration. Thus, the three opened bids were evaluated for conformance with the bidding requirements as listed in the Instructions to Bidders and Bid Form. All of the bids received are summarized in the following table:

Contractor	Bid Total	Amount Greater Than Low Bid
Dig It Up Backhoe Service, Inc. Minot, ND	\$ 4,774,694.00	\$ --
Post Construction, Inc. Minot, ND	\$ 5,090,832.00	\$ 316,138.00
Kemper Construction Co. Minot, ND	\$ 5,216,105.00	\$ 441,411.00
Wagner Construction, Inc. International Falls, MN	Not Opened	\$ N/A
ENGINEER'S OPCC	\$ 3,899,817.00	(\$ 874,877.00)

Dig It Up Backhoe Service, Inc.

- 1) A valid 5% Bid Bond, Power of Attorney, Acknowledgement of Principal, and Acknowledgement of Surety were uploaded with the bid.
- 2) A valid ND Contractor's License was uploaded with the bid.
- 3) Acknowledgement of Addendums #1 & #2 by a bidder is a requirement of the Quest vBid system prior to uploading a bid.
- 4) The Bid Form formatting was altered by Dig It Up so they could enter their bid prices into the bid schedule table. The City Attorney has determined that the Bid Form is still valid as it include the original content

and language in an altered format. The Bid Form was signed by Travis Bohl as President of Dig It Up Backhoe Service, Inc.

- 5) A list of subcontractors and suppliers was also uploaded with the bid.

Post Construction, Inc.

- 1) A valid 5% Bid Bond, Power of Attorney, Acknowledgement of Principal, and Acknowledgement of Surety were uploaded with the bid.
- 2) A valid ND Contractor's License was uploaded with the bid.
- 3) Acknowledgement of Addendums #1 & #2 by a bidder is a requirement of the Quest vBid system prior to uploading a bid.
- 4) The Bid Form was properly executed and signed by Conley Post as President of Post Construction Inc.
- 5) A list of subcontractors and suppliers was also uploaded with the bid.
- 6) No bid irregularities were found.

Kemper Construction, Co.

- 1) A valid 5% Bid Bond, Power of Attorney, Acknowledgement of Principal, and Acknowledgement of Surety were uploaded with the bid.
- 2) A valid ND Contractor's License was uploaded with the bid.
- 3) Acknowledgement of Addendums #1 & #2 by a bidder is a requirement of the Quest vBid system prior to uploading a bid.
- 4) A list of subcontractors and suppliers was provided with the bid.
- 5) A signed Bid Form was properly executed, but only the signature page of the Bid Form was uploaded with the bid. In reviewing the EJCDC documents, this does not appear to be a non-conforming issue as it would with the Bid Bond. This could be reviewed further with the City Attorney, but at this point it does not affect the lowest submitted bid.

Dig It Up Backhoe Service's bid is approximately 6.6% lower than the bid submitted by Post Construction. However, the Dig It Up bid is approximately 22.4% higher than HEI's Opinion of Probable Construction Cost for the project. When comparing the Dig It Up bid to the HEI OPCC, the largest differences for the cost increase are related to the watermain installation. The 8-inch PVC pipe bid item is 50% higher than estimated for an additional \$485,025.00. Similarly, the installation of the new 3/4" curb stop valves unit price was 87% higher than estimated for an additional \$294,000.00.

After talking with the Contractors that submitted bids, the biggest reason for the increase was due to labor costs with the inclusion of the Davis-Bacon wage determination included as part of the DWSRF Specification Package. This was noted to add an additional \$500,000 to \$800,000 in labor expenses on the project. Additionally, from a call with Core & Main regarding pipe material costs, it was noted that PVC resin has seen its typical 15% increase this spring, with another increase possible within the next month or two. The unit prices used in HEI's OPCC were based on bid prices seen on similar projects within the past couple of years. The previous projects that were used as a basis for the construction cost did not include Davis-Bacon wage rates so that impact was underestimated.

The fact that the three opened bids were only separated by 9.25% seems to indicate that they were competitive bids given the current market and the inclusion of the Davis-Bacon wage rates. If this contract amount exceeds the amount available with the current funding sources, another option would be to award the project and then eliminate a portion of the project area from the contract.

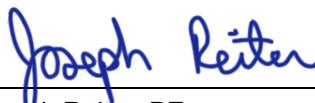
The basis for our award recommendation includes criteria for bidder “responsiveness” and “responsibility”. In light of the City Attorney approving the submitted Bid Form, and in accordance with Article 18 of the Instructions to Bidders, Dig It Up Backhoe Service of Minot, ND submitted the lowest responsive bid. Therefore, HEI recommends award of the contract to Dig It Up Backhoe Service for the bid price of \$4,774,694.00. After concurrence of the contract award by the Minot City Council and the DWSRF funding agency, Houston Engineering, Inc. will provide a completed Notice of Award for execution by Mayor Tom Ross followed by delivery to the Contractor with the agreement, bonds, and insurance documents for execution.

The Notice to Proceed will be discussed at the preconstruction conference, and issuance will be contingent upon the satisfactory completion and submission of the contract documents by the Contractor and the City’s legal counsel review.

If you have any questions or require additional information, please contact me at (701) 852-7931 or by e-mail at jreiter@houstoneng.com.

Sincerely,

HOUSTON ENGINEERING, INC.



Joseph Reiter, PE
Project Engineer