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ENERGY WATER INFORMATION GOVERNMENT

Lawrence, Kansas  
Clinton WTP Expansion - Phase II  
City Project No. 2CP-205

B&V Project 142274  
B&V File B-1.1  
April 9, 2007

Mr. Philip Ciesielski  
Utilities Engineer  
City of Lawrence  
720 W. Third Street  
P.O. Box 708  
Lawrence, Kansas 66044-0708

Subject: Recommendation of Award

Dear Philip:

We have reviewed the bids received on March 27, 2007 for Contract No. 2CP-205 for the Clinton Reservoir Water Treatment Plant Phase II Expansion project. A copy of the bid tabulation is enclosed for your information. Three bids were submitted and all were below the Engineer's Opinion of Probable Construction Cost for the Base Bid.

CAS Construction, Inc. was the apparent low bidder at \$13,929,000. The second low bid was from BRB Contractors, Inc. at \$14,351,000. The third bid was received from Foley Company at \$15,486,300. The difference between the two low base bids, \$422,000, is approximately 3.0 percent. The prices for the five bid alternatives offered by CAS, as well as the unit price adjustments, were generally higher than those offered by either BRB or Foley.

As indicated in the Instructions to Bidders, the project is to be awarded on the basis of the Base Bid pricing, without consideration of pricing for the Bid Alternatives. The pricing for Bid Alternatives A.1, A.2, and B, which involved replacement of the existing basin equipment with either carbon steel or stainless steel equipment would increase the project cost substantially. Alternative C involves furnishing Merrick brand paste slakers in lieu of the detention type slakers specified for the Base Bid. CAS's bid for providing the Merrick slakers was \$50,000 compared to BRB's and Foley's bids of \$34,000 and \$32,118, respectively. Both BRB and Foley listed Merrick as the manufacturer of the proposed lime slakers, where CAS listed Enpro.

Alternative D involves furnishing the carbon dioxide system if it is determined to be needed, and the price for the work is to be held good for 520 calendar days from the bid opening, pending results of additional full scale testing. CAS's bid for Alternative D was \$900,000, compared to BRB's and Foley's bids of \$699,000 and \$643,045, respectively. CAS's bid for Alternative D is also higher than the Engineer's Opinion of Probable Construction Cost of \$800,000.

City of Lawrence  
Mr. Philip Ciesielski

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We have reviewed the Equipment Questionnaire included with CAS's bid. A copy is attached. All manufacturers listed are either named in the specifications, or are otherwise acceptable as a known manufacturer of the listed equipment. Final acceptance of the equipment is subject to review of shop drawings.

CAS has successfully completed several projects for the Utilities Department, and is currently completing work on the Pump Station 48 project. We have contacted CAS regarding their bid, and they maintain confident in their bid and are prepared to proceed. We have reviewed their financial status by obtaining a Dun & Bradstreet report. The company's rating was listed as "3A3", with financial history and financing ratings listed as "Clear" and "Secured", respectively. Furthermore, CAS has provided a letter from their surety confirming their bonding capacity for this project as well as a current qualifications statement. A copy of each is attached.

CAS submitted the Instrumentation Questionnaire with their bid and the List of Subcontractors after the bid. A copy of each is attached. RD Johnson, Shelley Electric, G.K. Smith & Sons, and Gray & Company have worked on City or local Black & Veatch projects in the past with satisfactory performance. We contacted references for A.W. Schultz, Thomas Industrial Coatings, and Scott Masonry, and all references indicated satisfactory performance from all proposed subcontractors.

The City has indicated that they would like to proceed with awarding the project, including Alternative C, and reserve the right to implement Alternative D if it is needed. Therefore, we recommend awarding the contract to CAS Construction, Inc. for \$13,929,000 for the Base Bid, plus \$50,000 for Alternative C, for a total of \$13,979,000. The City should reserve the right to implement Alternative D within the 520 calendar day time limitation allowed in the contract documents. Financial projections for this project included in the City's rate model should include the \$900,000 for Alternative D, and additional costs for procurement and installation of the Plant Control System, and disposal costs for the municipal solid waste.

If you have any questions concerning our recommendation, please contact us.

Sincerely,

BLACK & VEATCH CORPORATION



Mark D. Bushouse  
Engineering Manager

Enclosures