



Professional Engineering Consultants, P.A.

1263 S.W. TOPEKA BLVD. ■ TOPEKA, KANSAS 66612 ■ 785-233-8300 ■ FAX 785-233-8855 ■ www.pec1.com ■ topeka@pec1.com

MEMO

TO: City of Lawrence, Utilities Department

1400 E. 8th Street

Lawrence, Kansas 66044

ATTENTION: Mike Lawless, P.E.

REFERENCE: Evaluation of Bids

FROM: R. J. Hofer, P.E.

PROJECT NO.: 08A10-3975

PROJECT: Baldwin Creek West

Interceptor Sewer

COPIES TO: File, J. Martin

PLEASE ADVISE IMMEDIATELY OF ANY MISCONCEPTIONS OR OMISSIONS YOU BELIEVE TO BE CONTAINED HEREIN.

EVALUATION OF BIDS

- Excellent response with 11 bidders. 7 Kansas City Metro (2 MO, 5 JO/WY CO KS), 1 Topeka, 1 Oskaloosa, 1 Lawrence, and 1 Goddard. (Record response) A complete bid tabulation is attached.
- McAninch Corporation was the apparent low bidder of the eleven contractors who submitted bids on June 3, 2008 at \$2,104,550.80. No errors were found in the computation of any of the bids received.
- Three bids were within 10% of low bid (McCorkendale Const., King's Const., and Emcon Const.).
- Three additional bids were within 10-20% of low bid (Meadows Const., Rodriquez Mech., and Redford Const.)
- R. D. Johnson and Nowak Construction, two large contractors that routinely and successfully bid Lawrence utility work, were the two highest bidders with bids in excess of \$3.19 million (within 20% of the Engineer's Estimate).
- The past year has been characterized as a period of price change and volatility with major escalations in the cost of petroleum based products including fuel and plastic. The past six months have seen extreme price and materials availability swings.
- The period of Dec 2007 to present has been characterized by the impact of the mortgage crisis and a sharp downturn in commercial and residential construction.
- Bids are counter to the rapidly rising price of diesel fuel and rising material costs.
- The number of bidders and relatively condensed bid range are believed to reflect the recent and rapid downturn in work available for bidding.
- The market has become very competitive at the present time.
- Engineer's Estimate was conservative but still consistent with previous projects in Lawrence and the general area.
- Some Contractors indicated that the project was well developed and "easy to bid" with few open-ended subsidiary items. One contractor suggested that this was indicative of the preliminary work done as part of the Design-Build project and resulted in "potentially hundreds of thousands of dollars in savings"

because allowances for unknowns could be reduced. He used the blasting information, line item bids for erosion protection materials and the line item bid for supplemental topsoil as examples.

- At least two bidders had planned to use rock trenchers to avoid the cost of rock removal and importation of select backfill. Two additional bidders have nominal costs for the Blasting Plan which indicates they intended to use other methods for rock removal.
- The low bidder does not view the rock/imported fill to be of major concern and are reserving how they will respond once they have a better idea of the condition of the rock on the site. They plan for the rock to be small enough to return to the trench or they will make it small enough.

EVALUATION OF APPARENT LOW BIDDER

- McAninch Corporation was the apparent low bidder of the eleven contractors who submitted bids on June 3, 2008. No errors were found in the computation of any of the bids received.
- McAninch Corporation is a large earthmoving and utility company based in West Des Moines with an office in Overland Park, KS
- Dave Wagler, McAninch Corporation Estimator/Project Manager for this bid, has indicated that they are satisfied with their bid.
- Very good responses were received from references (Summary records are attached):
 - Chet Belcher of Payne & Brockway (consulting engineer). His experience with them on the \$6.11 million Blue River No. 15 project. He complemented their field and office management and their ability to bring lots of equipment to bear on the project.
 - Evan Oster of West Lakes Properties (developer). He has worked with McAninch Corporation for over 20 years. They have never missed a scheduled target date on his projects. He had "absolutely no reservations" about recommending them.
 - Bob Veenstra of Veenstra & Kimm (consulting engineer). Mr. Veenstra based his assessment of them being a well managed company and timely in administration on his 30 years of experience with McAninch Corporation involving approximately 100 projects. One of these projects was \$17 million underground utility portion of a \$100 million Iowa Interstate 235 renovation.
 - Patrick Kueter of Foth Company (consulting engineer). McAninch performs 2-3 projects a year for Mr. Kueter ranging in cost from \$0.5 - \$8 million. He considers them to be a totally technology advanced company that does quality work.
 - Gene Schmidt, City of Des Moines. McAninch has performed numerous projects for the City including the \$1.8 million SW Area Outfall. He considers them a good contractor with good management and are easy to work with.
- Mr. Wagler stated that McAninch hadn't undergone this level of scrutiny before on a project that requires performance bonds
- References were asked about their experience regarding change orders. The general consensus was that McAninch administers change orders fairly and is not "change order oriented".

CONCLUSION:

We recommend award of the contract for the Baldwin Creek West Interceptor Sewer, City of Lawrence Project Number CS0704 to McAninch Corporation in the amount bid.