

October 28, 2011

Mr. Philip Ciesielski, P.E.
Assistant Director of Utilities
City of Lawrence
Department of Utilities
P.O. Box 708
Lawrence, Kansas 66044-0708

RE: 23rd Street Utilities Relocation
Project UT1003CS
PEC Project No. 10A32-002-3975
Construction Contract Award

Dear Philip:

PEC has reviewed the bids received on October 25, 2011, for the 23rd Street Utilities Relocation Project, City Project UT1003CS. Bids submitted ranged from a low of \$1,148,000.00 from Tribal Construction Company of Grove, Oklahoma to the highest bid of \$1,492,090.00 from Wildcat Construction Company of Wichita, Kansas. The Engineer's Estimate was \$1,350,000.00.

Bid Tabulation October 25, 2011		
CITY OF LAWRENCE		
23rd Street Utilities Relocation		
City Project UT 1003CS		
	Total	
Tribal Construction Company	Grove, Oklahoma	\$1,148,000.00
Redford Construction	Raymore, Missouri	\$1,216,000.00
The Havens Construction Co., Inc.	Liberty, Missouri	\$1,242,700.00
Nowak Construction Company, Inc.	Goddard, Kansas	\$1,251,984.00
Site Rite Construction Co.	Kansas City, Missouri	\$1,425,630.00
Wildcat Construction Company, Inc.	Wichita, Kansas	\$1,492,090.00
Engineer's Estimate		\$1,350,000.00

Based on the critical location and nature of this project and the extremely tight schedule, the bid documents and supporting information provided to us were reviewed with respect to the complexity of the project, the requirements contained in the Instructions to Bidders (Sections IB-4 and IB-10) and the General Conditions.

Information provided by Tribal Construction, on or with the Bid Form, was very limited. Responses to the questions relating to experience, projects, equipment, financial capability, and potential subcontractor participation were not extensive or well defined. A financial statement was not provided with the bid packet but was received via fax immediately ahead of the bid opening. A KDOT Pre- Qualification statement indicating Tribal Construction was on the "current bidders list" for projects of this size and nature was not provided in lieu of or in addition to the financial statement.

Inquiries to listed references were initiated by PEC with the limited information available. A follow-up request for additional information yielded the response attached as a reference to this letter. The follow-up information provided by Tribal Construction on 10-26-11 included some additional information concerning specific projects, subcontractors, equipment to be utilized and resumes for proposed project managers.

Based on information provided to us through the bid documents and limited discussions with references, the City should consider the following:

1. **Project Experience:** Example projects, provided by the contractor, are all small utility projects with apparent levels of complexity significantly less than the proposed 23rd Street improvements. There was no indication of past projects and/or abilities to manage large diameter pipe construction under flow conditions present in the 23rd Street project environment. The indicated nature and complexity of the bidders past experience with this type of project is not sufficient to safeguard the interests of the City and ensure the maintenance of critical integrity and operation of the existing 23rd Street bridge structure and the large diameter sewage force mains and sewers operating through the project site. The indicated experience would also not rise to the level of the required coordination that will be needed to accomplish the 23rd Street work with the accelerated schedule.
2. **Other Projects Under Contract:** Tribal Construction listed a utility relocation project for the City of Manhattan. Following discussions, by PEC, with the City of Manhattan, it appears that this project is of a similar cost magnitude but is much less complex than the proposed 23rd Street improvements. The Manhattan project is already underway and construction will continue during an overlapping period with the 23rd Street improvements. The Tribal Construction project currently under construction in Manhattan creates a possible situation that adequate and timely application of manpower to the 23rd Street work could be influenced by a project with similar time demands through the initial critical construction period for 23rd Street between December 2011 and March 2012.

3. **Equipment Availability:** The contractor provided a very limited summary of available equipment with the bid. The timely availability of required equipment may raise a potential issue due to the fact that Tribal Construction rents the majority of the equipment that it needs. The 23rd Street project will require careful coordination and will need to have capability for rapid equipment availability and deployment in response to multiple crew tasks necessary to complete the work. The concurrent Manhattan operation also could present a timing issue with respect to shared rental equipment use.
4. **Subcontracting:** Pipe rehabilitation, boring, and asphalt work subcontracts were mentioned on the Bid Form. Only pipe rehabilitation indicated a probable subcontractor. The boring category did not list a subcontractor. Follow-up information indicated that the contractor had a "preference" of one of three. With the complexity and critical nature of the boring/casing operation playing a key project role, the lack of more specificity or certainty is of concern.

The information provided also indicated the potential involvement by McGuire Brothers Construction. Follow-up discussions with others indicate that McGuire Brothers is a large well-known company in the Tulsa, Oklahoma area with extensive resources and experience. Information was also provided indicating that Rodney Madden (McGuire Brothers Construction-Tulsa, Oklahoma) "is contact, consultant and may joint venture with Tribal when a project may dictate the need". McGuire Brothers Construction was not listed on the Bid Form and has not been otherwise indicated to be either a subcontractor or working with Tribal Construction in a joint venture. Any type of relationship with McGuire Brothers Construction to address the proposed project was not presented as part of the bid. If Tribal Construction intends to utilize McGuire as a subcontractor, it would appear that the City might not have direct contractual control over the majority of the work and the timely completion as desired. This situation should be evaluated by appropriate legal counsel relative to Article GC-35 of the General Conditions.

5. **Project Management:** Resumes presented for key management personnel appear to focus on commercial, industrial, and less complex utility projects. There were no direct indications of large diameter pipe projects with coordination of flow with construction and pump station operations under extreme schedule conditions. Coordination will be the single largest challenge for this project.

It is our opinion that the potential risks are much higher for the City with the award to the apparent low bidder. We believe that, in its own best interests, the City should consider that Tribal Construction does not have the experience necessary to carry out such a highly complex project, reject the bid, and consider award to the second low bidder, Redford Construction. The second low bidder has provided more complete and satisfactory information indicating an

experienced background for the desired/requested conditions. That information has been provided to you through a separate memorandum.

If you have questions, please contact us at your earliest convenience.

Sincerely,

Professional Engineering Consultants, P.A.



James L. Martin, P.E.

JLM/pkr

Attachments

CC: File

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