

# FOR BOARD ACTION

Agenda Item # 7

Meeting Date:

3/27/12

**SUBJECT:**

CONSIDERATION OF BIDS  
DIRECTIONAL BORING AND MISCELLANEOUS EXCAVATION

**PREPARED BY:**

Steven Cook, Sr. Electrical Engineer

ITEM DESCRIPTION:

On March 20, 2012, two bidders submitted bids to perform directional boring and miscellaneous excavation starting May 1, 2012. The proposed contract allows for the contract to extend on an annual basis for up to five years with firm pricing for the term of the contract. The bids were evaluated based on unit pricing for an estimated quantity of work to be performed in year one of the contract.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

The dollars for this work are budgeted within several different projects such as underground re-conductor, new services, and feeder extensions. The unit pricing is within the expected range.

**BID SUMMARY**

<b>Bidder</b>	<b>Evaluated Bid Amount (pretax)</b>
A & A Electric & Underground, Inc.	\$534,100
MasTec North America, Inc.	\$527,000

The evaluated price is the estimate for year 1 of the contract.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board request the Council to approve a multi-year contract agreement with MasTec North America, Inc. for directional boring and miscellaneous excavation work, and that the Council authorize the Mayor and City Clerk to execute the Agreement subject to the final approval of the City Attorney and contingent upon approval of the RPU budget in future years by the Board and Council.

  
General Manager

  
Date

**BID FORM  
004160-02**

**BID DUE DATE: March 20, 2012, 2:00 PM Central Time**

**PROJECT:** City of Rochester, Rochester Public Utilities  
Directional Boring and Miscellaneous Excavation

**BIDDER'S NAME:** MasTec North America, Inc.

**ATTENTION:** Bob Ledebuhr, C.P.M., Materials Manager

The undersigned agrees, if this bid is accepted, to enter into a contract for the work described in this request for bid and any subsequent formal written changes, exclusive of any qualifications attached hereto, for the following firm per unit price for the work, including freight F.O.B. jobsite, insurance, overhead, profit, taxes, etc.:

**Base Bid**

Pricing reflects Addendum No.'s 1 through 1 inclusive.

Item No.	Description	Evaluation Quantity	Unit Price	Extended Price
1	Directional Boring 2 inch	34,000 ft	7.50	255,000.00
2	Directional Boring 3 inch	3,000 ft	7.50	22,500.00
3	Directional Boring 4 inch	20,000 ft	9.00	180,000.00
4	Directional Boring 5 inch	2,000 ft	12.00	24,000.00
5	Directional Boring 6 inch	2,00 ft	12.00	2,400.00
6	Trench 2ft x 2ft	500 ft	1.75	875.00
7	Trench 2ft x 3ft	500 ft	2.00	1,000.00
8	Trench 2ft x 4ft	1000 ft	2.75	2,750.00
9	Trench (extra 1ft depth)	100 ft	.75	75.00
10	Excavation Fractured Rock	500cu yd	20.00	10,000.00
11	Excavation Solid Rock	500 cu yd	40.00	20,000.00
12	Frost 6in - 12in	2000 ft	2.00	4,000.00
13	Frost 13in - 18in	500 ft	4.00	2,000.00
14	Frost 19in - 24in	200 ft	4.00	800.00
15	Pedestal Backfill	20 ea	30.00	600.00
16	Transformer Pad Backfill	20 ea	50.00	1,000.00
	<b>EVALUATED TOTAL</b>			<b>\$527,000.00</b>
17	Labor: Foreman (\$/hr)	NA	50.00	
18	Labor: Equipment Operator (\$/hr)	NA	45.00	
19	Labor: Laborer (\$/hr)	NA	40.00	
20	Equipment: Track hoe (\$/hr)	NA	60.00	

Line item 5 price is ON 200 FT.  
Addendum No. 1

JA  
3/20/12

21	Equipment: Rubber tired Backhoe with trailer (\$/hr)	NA	41.00	
22	Equipment: Dump Truck (\$/hr)	NA	40.00	
23	Equipment: Pick-up Truck (\$/hr)	NA	25.00	
24	Equipment: Trencher (\$/hr)	NA	50.00	
25	Equipment: Directional Boring Equipment (\$/hr)	NA	250.00	

**BONDS:**

Bidder's Surety Company: Marsh USA  
 Bonding Capacity: \$ 500,000,000 Current Value of Work Bonded \$ 50,000,000  
 Name of Agent: Tannis Mattson  
 Contact Name: Tannis Mattson Phone Number: 713-278-8528  
 Bid Bond Type Bidders Bond (price included in lump sum price)  
 Identification Number: \_\_\_\_\_

	Yes	No
Bid is, without exception, in exact accordance with the subcontract, specifications, drawings, terms, conditions, schedule, and requirement of this RFB?	X	
Will pricing remain valid for 965 days?	X	
Bidder has completed the Sub-Contractor list? (Labor contracts only)	X	
Bidder has completed and submitted the Acknowledgement of Corporation Form?	X	

**SUB-CONTRACTORS**

Bidder intends to procure the following items from other suppliers:

Component	Proposed Sub-Contractor

The undersigned agrees, if this bid is accepted, to enter into contract for the work described in this Request for Bid and any subsequent formal written changes.

Submitted by:

 V.P.  
 Signature/Title

MasTec North America, Inc.  
 Company

152 Park Ave  
 Address

Shelvin, MN 56676  
 City/State/Zip

3/19/12  
 Date

218-785-2171  
 Phone

218-785-2076  
 Fax

doug.odegaard@masfec.com  
 Email

JD  
3/20/12

**ADDENDUM NO. 1  
ROCHESTER PUBLIC UTILITIES**

**TO THE BID: DIRECTIONAL BORING AND MISCELLANEOUS EXCAVATION**

**March 20, 2012**

**TO ALL BIDDERS:** The above titled documents are hereby revised in accordance with the items set forth herein.

This addendum to the specification documents is hereby made a part of the contract documents for the above-entitled project, to the same extent as though it was originally contained herein.

All bidders are expected to thoroughly examine each item enumerated herein, regardless of its apparent application(s) and shall be held responsible for furnishing all labor and materials required in the division of work that the items indicate. Items herein shall take precedence over any clauses, which they modify in the contract documents or portions of the construction documents, which they modify or supplement.

**1) SECTION 004160-02-BID FORM**

**Bid Item Number 5: Directional Boring 6 inch. The evaluated quantity will be 200 ft. (two hundred feet)**

In order to assist you in turning in a neat and readable bid, RPU is provided electronic versions of Sections 004160.

Signature: 

Date: 03/20/2012

**ACKNOWLEDGMENT OF CORPORATION**

**AUTHORIZED SIGNATURE**

STATE OF Minnesota

COUNTY OF BELTRAMI

On this 19th day of March, 2012, before me appeared

Doug Odegaard to me personally known, who, being by me  
*(name of officer)*

duly sworn, did say that he/she is the Vice President of  
*(title)*

MasTec North America, Inc. a corporation; and that said instrument  
*(name of corporation)*

was executed in behalf of said Doug Odegaard, acknowledged said  
*(name of officer)*

instrument to be the free act and deed of said corporation.

Mr. John Anderson

Notary Public



THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A310

Bid Bond

KNOW ALL MEN BY THESE PRESENTS, that we MasTec North America, Inc.
152 Park Avenue
Shevlin, MN 56676
(Here insert full name and address or legal title of Contractor)

as Principal, hereinafter called the Principal, and Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183
(Here insert full name and address or legal title of Surety)

a corporation duly organized under the laws of the State of CT as Surety, hereinafter called the Surety, are held and firmly bound unto Rochester Public Utilities
4000 East River Road, NE
Rochester, MN 55906-2813
(Here insert full name and address or legal title of Owner)

as Obligee, hereinafter called Obligee, in the sum of Five Percent of the Total Bid Price
Dollars (\$ 5% TBP ).

For the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Project No.: Directional Boring and Miscellaneous Excavation
(Here insert full name, address, and description of project)

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 20th day of March, 2012

[Signature]
(Witness)

MasTec North America, Inc.
(Principal) (Seal)
[Signature]
(Title) Vice President

[Signature]
Melissa Haddick (Witness)

Travelers Casualty and Surety Company of America
(Surety) (Seal)
[Signature]
Tannis Mattson ATTORNEY-IN-FACT

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 20<sup>th</sup> day of March, 2012

*Kevin E. Hughes*  
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-in-Fact number, the above-named individuals and the details of the bond to which the power is attached.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

Proposal No	Bid Bond Ordered	Bid Bond Recovered	Pending Bid Results	Bond Released

*Travelers*

**MASTEC NORTH AMERICA INC.**

**BOND REQUEST FORM**

*Authority*

TO: Tannis Mattson PH: (713)-276-8528 or 8678 Date: 20-Mar  
 FAX: (713) 276-8538

FROM: John Anderson Ph: (218) 785-2171 Fax: (218) 785-2076  
MasTec North America, Inc.  
152 Park Avenue, Shevlin, MN. 56676

DIVISION:  UTILITY SERVICES  TRANSMISSION  WANZEK  PRECISION  
 THREE PHASE  GLOBETEC  OTHER

REQUEST FOR:  
 Surety Qualification Letter  Bid Bond  
 Performance Bond  Performance & Payment Bond  
 Other

FORM ATTACHED:  YES  NO T-LISTED SURETY REQUIREMENT:  Yes  No

AIA Bond Forms  
 NAME OF OBLIGEE: Rochester Public Utilities  
(NAME OF OWNER, STATE OR MUNICIPALITY REQUIRING BOND)  
4000 East River Road NE, Rochester, MN 55904  
(ADDRESS)

RFP/CONTRACT NO: \_\_\_\_\_ DESIGN BUILD?:  Yes  No  
 POC?:  Yes  No

DESCRIPTION OF JOB: Directional Boring and Misc. Excavation  
Miscellaneous

LOCATION OF JOB: Rochester, MN

DATE OF BID: 20-Mar - 2012 @ 2:00pm

AMOUNT OF BOND: \$ ~~1,000,000~~ OR 5 % Total Bid Price

CONTRACT AMOUNT: \$ 1,000,000.00 GROSS MARGIN 13 %

CONSTRUCTION: Est. Start Date 04/12/12 Completion Time 5 years\*\*

Liq. Damages \$ 1,000.00 per day Maintenance Period 1 Year

Owner Furnished Materials \$ None

DATE REQUIRED: 3/20/2012 SEND BOND TO: MasTec North America, Inc.  
152 Park Avenue, Shevlin, MN. 56676

REQUESTED BY: John A. Anderson

COMPANY'S INTERNAL APPROVAL: Pending  
 Note: All bids over \$4,750,000 require MasTec Corporate Approval

SPECIAL INSTRUCTIONS  
 \*\* If completion time is in excess of 2 years, please complete and include the additional information form.

Please fax or email completed bond request form and all related documents to the Marsh Primary Service Representative below.  
**Tannis Mattson and/or Amy Fowler**  
 Phone: 713-276-8528 or 713-276-8678 Fax: 713-276-8538  
 Marsh USA, 1000 Main Street, Suite 3000, Houston, TX 77002  
 Email: [tannis.n.mattson@marsh.com](mailto:tannis.n.mattson@marsh.com) and/or [amy.fowler@marsh.com](mailto:amy.fowler@marsh.com)





**Rochester Public Utilities – Directional Boring and Misc Excavation 2012**

RFB Opening  
 Tuesday March 20, 2012 – 2:00 P.M. Central Time

			A&A Electric & Underground		MasTec		Per Unit	Extended
			Y	Y	Y	Y		
Bid Security			Per Unit	Extended	Per Unit	Extended	Per Unit	Extended
Directional Boring 2 Inch	34,000	ft	\$ 7.50	\$ 255,000.00	\$ 7.50	\$ 255,000.00		\$ -
Directional Boring 3 Inch	3,000	ft	\$ 7.50	\$ 22,500.00	\$ 7.50	\$ 22,500.00		\$ -
Directional Boring 4 Inch	20,000	ft	\$ 9.50	\$ 190,000.00	\$ 9.00	\$ 180,000.00		\$ -
Directional Boring 5 inch	2,000	ft	\$ 11.00	\$ 22,000.00	\$ 12.00	\$ 24,000.00		\$ -
Directional Boring 6 Inch	200	ft	\$ 11.00	\$ 2,200.00	\$ 12.00	\$ 2,400.00		\$ -
Trench 2ft x 2ft	500	ft	\$ 3.00	\$ 1,500.00	\$ 1.75	\$ 875.00		\$ -
Trench 2ft x 3ft	500	ft	\$ 3.00	\$ 1,500.00	\$ 2.00	\$ 1,000.00		\$ -
Trench 2ft x 4ft	1,000	ft	\$ 4.00	\$ 4,000.00	\$ 2.75	\$ 2,750.00		\$ -
Trench (extra 1ft depth)	100	ft	\$ 1.00	\$ 100.00	\$ 0.75	\$ 75.00		\$ -
Excavation Fractured Rock	500	cu yd	\$ 15.00	\$ 7,500.00	\$ 20.00	\$ 10,000.00		\$ -
Excavation Solid Rock	500	cu yd	\$ 40.00	\$ 20,000.00	\$ 40.00	\$ 20,000.00		\$ -
Frost 6In – 12In	2,000	ft	\$ 2.00	\$ 4,000.00	\$ 2.00	\$ 4,000.00		\$ -
Frost 13In – 18In	500	ft	\$ 3.00	\$ 1,500.00	\$ 4.00	\$ 2,000.00		\$ -
Frost 19In – 24In	200	ft	\$ 4.50	\$ 900.00	\$ 4.00	\$ 800.00		\$ -
Pedestal Backfill	20	ea	\$ 25.00	\$ 500.00	\$ 30.00	\$ 600.00		\$ -
Transformer Pad Backfill	20	ea	\$ 45.00	\$ 900.00	\$ 50.00	\$ 1,000.00		\$ -
<b>EVALUATED TOTAL</b>				<b>\$ 534,100.00</b>		<b>\$ 527,000.00</b>		<b>\$ -</b>
Labor: Foreman (\$/hr)			\$ 55.00		\$ 50.00			
Labor: Equipment Operator (\$/hr)			\$ 50.00		\$ 45.00			
Labor: Laborer (\$/hr)			\$ 42.00		\$ 40.00			
Equipment: Track hoe (\$/hr)			\$ 40.00		\$ 60.00			
Equipment: Rubber tired Backhoe with trailer (\$/hr)			\$ 85.00		\$ 41.00			
Equipment: Dump Truck (\$/hr)			\$ 70.00		\$ 40.00			
Equipment: Pick-up Truck (\$/hr)			\$ 30.00		\$ 25.00			
Equipment: Trencher (\$/hr)			\$ 150.00		\$ 50.00			
Equipment: Directional Boring Equipment (\$/hr)			\$ 300.00		\$ 250.00			



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a multi-year contract agreement with MasTec North America, Inc., subject to final review by the City Attorney, and contingent upon approval of RPU's budget in future years by the Board and Council, and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

### Directional Boring and Miscellaneous Excavation Work

The annual value of the contract agreement to be determined based on quantity of work performed in a given year per the bid specification, and MasTec North America, Inc. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of March, 2012.

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President

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Secretary