

FOR BOARD ACTION

Agenda Item # 4.b.

Meeting Date:

5/28/13

SUBJECT: Consideration of Bids – Construction of Municipal Well No. 41

PREPARED BY: Doug Rovang, Sr. Civil Engineer

ITEM DESCRIPTION:

Bids for the construction of Municipal Well No. 41 (Southeast) were opened on May 21, 2013. Three bids were received. (See the attached bid tabulation.) E.H. Renner & Sons of Elk River, MN, was the lowest, responsible bidder with a bid of \$257,650. The engineer's estimates for construction of the well were \$297,075 (for the Cable Tool drilling method) and \$312,950 (for the Rotary drilling method).

Construction of the well is necessary to provide for water demand in the east and southeast parts of the Main Level Service Area, which includes the University Center Rochester, the Marion Road SE area, and the east portion of the center City area. The proposed well will reduce operating times for Wells 27, 28 and 30 which are approaching 70% average annual runtime (seventeen - eighteen hours per day) and near-continuous operation during the peak summer months.


FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

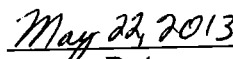
\$317,000 is budgeted for construction of the well in 2013. The wellhouse will be constructed in the spring of 2014.

UTILITY BOARD ACTION REQUIRED:

Staff recommends the Utility Board accept the low bid, approve a contract agreement for construction of Municipal Well No.41 with E.H. Renner & Sons, Inc. in the amount of \$257,650 and authorize the Mayor and City Clerk to execute the agreement.

Management further recommends that the Board authorize staff to manage project change orders using the existing approval structure and authorization levels.


General Manager


Date

ROCHESTER PUBLIC UTILITIES

Rochester Public Utilities BID TABULATION

PROJECT: Rochester Well No. 41
Project #: 7006007

OWNER: Doug Rovang
OPENING DATE: 5/21/2013, 2:00:00 PM
ARCHITECT: PCE - Progressive Consulting Engineers



Engineer's Estimate

	Cable Tool		Base Bid	
	Quantity	Unit Price	Extension	
1 Mobilization/Demobilization	1	\$ 40,000	\$ 40,000	
2 Drill & Drive 30" Casing	80	\$ 300	\$ 24,000	
3 Drill 30" Nominal Open Hole	285	\$ 200	\$ 57,000	
4 Set 24" Casing	365	\$ 100	\$ 36,500	
5 Drill 24" Nominal Open Hole	105	\$ 175	\$ 18,375	
6 Plumbness/Alignment Test	1	\$ 750	\$ 750	
7 Grout	25	\$ 350	\$ 8,750	
8 Blasting	500	\$ 25	\$ 12,500	
9 Development Equipment	1	\$ 10,000	\$ 10,000	
10a Material Removal (Bailing)	225	\$ 200	\$ 45,000	
10b Material Removal (Air Developing)	75	\$ 200	\$ 15,000	
11 Discharge Piping and Erosion Control	1	\$ 5,000	\$ 5,000	
12 Test Pump Equipment	1	\$ 7,000	\$ 7,000	
13 Test Pump	48	\$ 150	\$ 7,200	
14 Water Analysis	1	\$ 2,000	\$ 2,000	
15 Sand Analysis	1	\$ 2,000	\$ 2,000	
16 Video Survey	1	\$ 2,000	\$ 2,000	
17 Gamma Log	1	\$ 2,000	\$ 2,000	
18 Floc-500	4	\$ 500	\$ 2,000	
Total				\$297,075

Engineer's Estimate

	Rotary		Base Bid	
	Quantity	Unit Price	Extension	
1 Mobilization/Demobilization	1	\$ 40,000	\$ 40,000	
2 Not Used				
3 Drill 30" Nominal Open Hole	285	\$ 200	\$ 57,000	
4 Set 24" Casing	365	\$ 100	\$ 36,500	
5 Drill 24" Nominal Open Hole	105	\$ 175	\$ 18,375	
6 Plumbness/Alignment Test	1	\$ 750	\$ 750	
7 Grout	32	\$ 350	\$ 11,200	
8 Blasting	500	\$ 25	\$ 12,500	
9 Development Equipment	1	\$ 10,000	\$ 10,000	
10a Material Removal (Bailing)	225	\$ 200	\$ 45,000	
10b Material Removal (Air Developing)	75	\$ 200	\$ 15,000	
11 Discharge Piping and Erosion Control	1	\$ 5,000	\$ 5,000	
12 Test Pump Equipment	1	\$ 7,000	\$ 7,000	
13 Test Pump	48	\$ 150	\$ 7,200	
14 Water Analysis	1	\$ 2,000	\$ 2,000	
15 Sand Analysis	1	\$ 2,000	\$ 2,000	
16 Video Survey	1	\$ 2,000	\$ 2,000	
17 Gamma Log	1	\$ 2,000	\$ 2,000	
18 Drill 36" Nominal Open Hole	80	\$ 300	\$ 24,000	
19 Set 30" Casing	80	\$ 150	\$ 12,000	
20 Drill 16" Pilot Hole	285	\$ 5	\$ 1,425	
21 Floc - 500	4	\$ 500	\$ 2,000	
Total				\$312,950

Engineer's Estimate

	Keys Well Drilling		Bergerson-Caswell		Trout Co		EH Renner	
	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1 Mobilization/Demobilization								
2 Not Used								
3 Drill 30" Nominal Open Hole								
4 Set 24" Casing								
5 Drill 24" Nominal Open Hole								
6 Plumbness/Alignment Test								
7 Grout								
8 Blasting								
9 Development Equipment								
10a Material Removal (Bailing)								
10b Material Removal (Air Developing)								
11 Discharge Piping and Erosion Control								
12 Test Pump Equipment								
13 Test Pump								
14 Water Analysis								
15 Sand Analysis								
16 Video Survey								
17 Gamma Log								
18 Drill 36" Nominal Open Hole								
19 Set 30" Casing								
20 Drill 16" Pilot Hole								
21 Floc - 500								
Total		\$		\$311,815.00		\$		\$287,650.00

Engineer's Estimate

	Thein Well		Keys Well Drilling		Bergerson-Caswell		Trout Co		EH Renner	
	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1 Mobilization/Demobilization										
2 Not Used										
3 Drill 30" Nominal Open Hole										
4 Set 24" Casing										
5 Drill 24" Nominal Open Hole										
6 Plumbness/Alignment Test										
7 Grout										
8 Blasting										
9 Development Equipment										
10a Material Removal (Bailing)										
10b Material Removal (Air Developing)										
11 Discharge Piping and Erosion Control										
12 Test Pump Equipment										
13 Test Pump										
14 Water Analysis										
15 Sand Analysis										
16 Video Survey										
17 Gamma Log										
18 Drill 36" Nominal Open Hole										
19 Set 30" Casing										
20 Drill 16" Pilot Hole										
21 Floc - 500										
Total		\$		\$307,375.00		\$		\$		\$

**AGREEMENT
BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between City of Rochester, Minnesota ("Owner") and
E.H. Renner and Sons, Inc. ("Contractor").

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

Drilling a 1,000 gpm production well for Rochester. Estimated depth of 470 feet, through the bottom of the Jordan Sandstone formation and into the St. Lawrence formation.

ARTICLE 2 – THE PROJECT (NOT USED)

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by Progressive Consulting Engineers, Inc. (Engineer), who is to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Dates for Substantial Completion and Final Payment*

A. The Work will be substantially completed on or before November 30, 2013, and completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions on or before December 31, 2013.

4.03 *Liquidated Damages*

A. Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner \$100 for each day that expires after the time specified in Paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner \$100 for each day that expires after the time specified in Paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to Paragraphs 5.01.A below:

- A. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of that item as indicated on the bid form.

As provided in Paragraph 11.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 9.07 of the General Conditions. Unit prices have been computed as provided in Paragraph 11.03 of the General Conditions.

BASE BID 1 - (Cable Tool)

Estimated Total of all unit price work :

\$ \$257,650.00
(Figure)

BASE BID 2 - (Rotary)

Estimated Total of all unit price work :

\$ N/A
(Figure)

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the 30th day of each month during performance of the Work as provided in Paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be measured by the schedule of values established as provided in Paragraph 2.07.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:

- 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may withhold, including but not limited to liquidated damages, in accordance with Paragraph 14.02 of the General Conditions:

- a. 95 percent of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, Owner, on recommendation of Engineer, may determine that as long as the character and progress of the Work remain satisfactory to them, there will be no additional retainage; and

- b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

- 2. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent of the Work completed, less such amounts as Engineer shall determine in accordance with Paragraph 14.02.B.5 of the General Conditions and less 100 percent of Engineer's estimate of the value of

Work to be completed or corrected as shown on the tentative list of items to be completed or corrected attached to the certificate of Substantial Completion.

6.03 Final Payment

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 14.07 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 14.07.

ARTICLE 7 – INTEREST

- 7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the rate allowed by law at the place of the project.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

- 8.01 In order to induce Owner to enter into this Agreement Contractor makes the following representations:

- A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
- B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has obtained and carefully studied (or assumes responsibility for doing so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.
- E. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- F. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- G. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.
- H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

A. The Contract Documents consist of the following:

1. This Agreement (pages 1 to 7, inclusive).
 2. Construction Performance bond
 3. Construction Payment bond
 4. Certificates of Insurance
 5. General Conditions (pages 1 to 41, inclusive).
 6. Supplementary Conditions
 7. Specifications as listed in the table of contents of the Project Manual for Rochester Well No. 40.
 8. Figures as listed in the table of contents of the Project Manual for Rochester Well No. 40.
 9. Addenda (numbers 1 to 3, inclusive).
 10. Exhibits to this Agreement (enumerated as follows):
 - a. Bid Form (pages 1 to 8, inclusive).
 - b. Documentation submitted by Contractor prior to Notice of Award (pages _____ to _____, inclusive).
 11. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - a. Notice to Proceed (pages 1 to 1, inclusive).
 - b. Work Change Directives.
 - c. Change Order(s).
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 3.04 of the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

10.02 *Assignment of Contract*

- A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement in duplicate. One counterpart each has been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or identified by Owner and Contractor or on their behalf.

This Agreement will be effective on _____ (which is the Effective Date of the Agreement).

CITY:

City of Rochester, a Minnesota municipal corporation

By: _____

Print Name: _____

[MUNICIPAL SEAL]

Its: _____

Attest: _____

Print Name: _____

Its: _____

Approved as to Form: _____

Print Name: _____

Its: _____

By: _____

Print Name: _____

Its: _____

Address: City of Rochester
c/o Rochester Public Utilities
400 East River Road NE
Rochester, MN 55905

Phone: 507-280-1510

Federal Tax ID: 41-6005494

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledge before me this _____ day of _____, 2013, by _____ and _____ the Mayor, City Clerk and City Attorney, and Rochester Public Utilities General Manger, respectively, of the City of Rochester, a Minnesota municipal corporation, on behalf of the corporation.

Notary Public

My commission expiries: _____

[seal]

CONTRACTOR

By: _____
Its:

STATE OF:

COUNTY OF:

The foregoing instrument was acknowledge before me on the ____ day of _____, 2013, by

_____ the _____ of _____
Name Title Company
on behalf of the company

Notary Public: _____

My commission expires _____

[seal]



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with E.H. Renner & Sons, Inc., and to request the Mayor and the City Clerk to execute the agreement for the

Construction of Municipal Well No. 41

The amount of the unit price contract agreement to be TWO-HUNDRED-FIFTY-SEVEN-THOUSAND-SIX-HUNDRED_FIFTY AND NO/100 DOLLARS (\$257,650.00) and E.H. Renner & Sons, Inc., being lowest responsible bidder.

BE IT FURTHER RESOLVED by the Public Utility Board to approve staff to manage project change orders using the existing approval structure and authorization levels.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 28th day of May, 2013.

President

Secretary