



Agenda Item: Bid Award

Title: Bid Rejection, Wellhead Building Upgrades

Recommended Council MOTION:

I move to reject the bid for the Wellhead Building Upgrade Project.

Administrative or Policy Goal:

The City of Laramie Purchasing Policy, 2020-07. "The City Manager shall make recommendations to the City Council regarding bids received. Contracts or purchases shall be rejected or approved by resolution of the City Council. The City Council may reject all bids if none of the bid responses are found to be in the public interest."

Background:

This project will replace the four wellhead buildings at Pope Springs, install a new electrical service and wellhead electrical disconnects, replace the aging Supervisory Control and Data Acquisition (SCADA) system, install an intrusion alarm system, install remotely programmed locks, and install motion lights for improved security.

Staff solicited bids for the construction of the Wellhead Building Upgrade project in accordance with the City of Laramie Purchasing Policy. Bids were received on March 2, 2021, with the following results:

Arcon \$811,696.00

The engineer's estimate for the project was \$527,910.00 and the available budget for the project is \$564,813.00. Because of the disparity between the engineer's estimate and the bid, staff requested the bidder and the design engineer review the bid and the estimate to determine why the disparity existed. The revised engineer's estimate for the project was returned at \$741,125.51 and the revised bid was returned at \$741,354.00 which is \$176,541 over budget, not including contingency.

Staff has determined this project to be a lower priority than other upcoming projects funded by the Water Utility. With this one bid coming in over budget and building material markets volatility, staff is recommending rejecting this bid and waiting to see if these funds will be needed for a higher priority project. Staff will rebid this project in the future if funds are available.

Legal/Statutory Authority:

BUDGET/FISCAL INFORMATION:

REVENUE

Source	Amount	Type
Fees/Charges for Service	\$650,000.00	WTWBLD 510-7015-461-7200
Grants for Projects		
Loans on Project		
Other		
Total	\$650,000.00	

Amount spent to date (approved and adopted by Council)

Budget	Amount	Funds
Total Budget Allocation	\$650,000.00	
Less Amount Spent to Date	\$85,187.00	WTWBLD design and RMP fees
Remainder of Budget	\$564,813.00	

Responsible Staff:

Brooks Webb, Public Works Director
William Winkler, Civil Engineer
Cal Van Zee, Utility Division Manager