

Watertown City Council

March 8, 2022

Agenda Item:	Wastewater Treatment Facility Expansion
Request for Action:	Adopt Resolution #2022-17, Award Bid of Wastewater Treatment Facility Expansion
Employee/Dept.:	Andrew Budde, City Engineer

Background:

At the January 25th Council Meeting, staff had presented the final plans and specifications for the Wastewater Treatment Facility Expansion project and Council had given authorization to advertise and open bids for the project. Bids for the project were opened on February 25, 2022. A total of five bids were received and the low bidder is submitted by Gridor Construction, Inc. The bids are summarized below:

Bidder:	Total Base Bid Amount:
Gridor Constr., Inc.	\$20,789,000.00
Rice Lake Construction Group	\$21,439,600.00
Magney Construction, Inc.	\$21,886,000.00
Shank Constructors, Inc.	\$23,929,100.00
Sheehy Construction Company	\$24,916,300.00

The bids received indicate that the bidding process was competitive. Staff has reviewed all the bids and based on the low bid from Gridor Construction, Inc the construction costs of the project is more than \$3.6 million over the engineer's estimate or approximately 18% over when including project soft costs such as engineering, construction administration, survey, and legal. The total estimated project costs are projected to be \$23.91 million.

Budget Impact:

The City is already eligible for low interest loans from the Public Facilities Authority (PFA) and has already been identified to receive Point Source Implementation Grants (PSIG) for \$7 million. This city has also requested \$10 million from the State Bonding Direct Appropriations Fund. The city will not know if it is successful on securing these funds until the end of the state legislative session in May 2022. Therefore, the city must have a plan in place to fund the project should the city not be successful. If the city does not bond until June of 2022, it is estimated the city will need \$1.5 million in cash to be able to process payment applications of April, May, and June 2022. Current Utility Capital Fund balances for the end of 2022 are at \$4.3 million and healthy enough to cash flow that amount. The city has updated their financial planning scenarios and would be able to finance the project through PFA bond proceeds and increased user rates based on the bid amount received. The city is also working with the Carver County Watershed Management Organization for assistance in funding of some storm water treatment. The project as bid includes \$500,000 in allowances to cover misc. unknown costs such as building permits and minor change orders. Also, if the city chooses to use PFA funds they require that 5% in contingency be added to the PFA financing to ensure funds are available should change orders arise.

Public Services Lot Asphalt (CI#025)	=	\$115,927
Wastewater Treatment Facility Asphalt Apron (UC#013)	=	\$34,000
Water Treatment Facility/ Wastewater Treatment Facility SCADA system (UC#021)	=	\$140,000
<u>Wastewater Treatment Facility Expansion (UC#022)</u>	=	<u>\$20,000,000</u>
Total	=	\$20,289,927

Funding Source:

Point Source Implementation Grant (PSIG) = \$7 million
PFA Bond Proceeds = \$7 million to \$17 million (as needed)

Minnesota State Bonding Request - Direct Appropriations = TBD (\$10 million requested)

Carver County Watershed Management Organization = TBD (\$50,000 requested)

Recommendation:

Staff recommends award of the Wastewater Treatment Facility Expansion to the low bidder, Gridor Construction for a total amount bid of \$20,789,000.00.

Motion Type:

Simple majority vote of members present.

Requested Action/Motion:

"I move to award the Wastewater Treatment Facility Expansion to the low bidder, Gridor Construction for a total amount bid of \$20,789,000."

Attachments:

Resolution #2022-17

Bid Tabulation

**CITY OF WATERTOWN
RESOLUTION NO. 2022-17**

**RESOLUTION APPROVING THE LOW BID AND AWARD OF WASTEWATER TREATMENT
PLANT EXPANSION PROJECT CONTRACT TO GRIDOR CONSTRUCTION, INC.**

WHEREAS, the City of Watertown (the “City”) builds and maintains utility infrastructure for the collection, conveyance, and treatment of sewage in the community; and

WHEREAS, the City has developed a financial management plan that identifies the expansion of the waste water treatment plant by the year 2022 that seeks to mitigate rate impacts to users; and

WHEREAS, the City has determined that the plant is in need of expansion in order to comply with regulatory effluent requirements, meet growth demand, and to rehabilitate aging plant infrastructure and equipment; and

WHEREAS, the City has developed Plans and Specifications for the Wastewater Treatment Plant Expansion Project; and

WHEREAS, the City has solicited bids for the Wastewater Treatment Plant Expansion Project and received bids from five (5) firms; and

WHEREAS, the low bidder was determined to be Gridor Construction, Inc. with a bid of \$20,789,000; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Watertown, Minnesota, hereby approves the low bid and approves the overall project cost of \$23,907,350.

Adopted by the City Council of the City of Watertown this 8th day of March 2022.

Mike Walters, Acting Mayor

ATTEST: _____
Lynn Tschudi, Clerk/Treasurer



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BID TABULATION

Project Location: Watertown, MN
Project Title: Wastewater Treatment Facility
Improvements
Project No.: C16.120156; Quest # 8108120
Addendum(s): No. 1 – 02/08/2022
No. 2 – 02/11/2022
No. 3 – 02/18/2022
No. 4 – 02/22/2022

Bid Day/Date: Thursday, February 24, 2022
Bid Time: 3:00 p.m.

BIDDERS	TOTAL PROJECT BASE BID PRICE
1. Gridor Constr., Inc.	\$20,789,000.00
2. Rice Lake Construction Group	\$21,439,600.00
3. Magney Construction, Inc.	\$21,886,000.00
4. Shank Constructors, Inc.	\$23,929,100.00
5. Sheehy Construction Company	\$24,916,300.00