



Agenda Item: Bid Award

Title: Bid Rejection – Wastewater Treatment Plant Ditch Cleaning Project

Recommended Council MOTION:

I move to reject the bid for the Wastewater Treatment Plant Ditch Cleaning project.

Administrative or Policy Goal:

To maintain City-wide Infrastructure Improvement Program as adopted in the 2015 Water Master Plan and long-range financial plans for water, sewer, and storm drainage requirements.

Maintain and Improve Municipal Infrastructure as adopted in Resolution 2021-12 A RESOLUTION ADOPTING POLICYGOALS AND OBJECTIVES FOR THE CITY OF LARAMIE, WYOMING FOR 2020.

Background:

The Wastewater Treatment Plant Ditch cleaning project occurs every 5-7 years to remove the accumulated sludge and foreign material that collects on the floor of the ditches over time. The accumulated material diminishes the efficiency of the treatment process and can have a negative effect on the quality of the wastewater effluent. As part of the cleaning project, the air diffusers are changed which are critical to the treatment process. The last time the ditches were cleaned was in the summer of 2015.

Staff solicited bids for the construction of the Wastewater Treatment Plant Ditch Cleaning Project in accordance with the City of Laramie Purchasing Policy. Bids were received on May 4, 2021, with the following results:

Velocity Constructors Base Bid Basin 1	\$304,371.00
Velocity Constructors Alternate Bid Basin 2	<u>\$302,459.00</u>
Total Bid	\$606,830.00

The project budget is \$300,000.00. Staff is recommending rejecting the bid because of the cost and re-bidding the project in the spring of 2022. With the issues of supply due to the COVID-19 pandemic, project costs are rising rapidly and anticipated to begin dropping by year end. The project cost to clean both ditches in 2015 was \$237,640.00. The bid to clean both ditches in 2021 is \$606,830.00, an increase of 155%. Costs have gone up, but this seems extreme.

Legal/Statutory Authority:

The City of Laramie Purchasing Policy states; “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.”

BUDGET/FISCAL INFORMATION:

REVENUE

Source	Amount	Type
Fees/Charges for Service	\$300,000.00	WWPDCL 510-8020-432-7900
Grants for Projects		
Loans on Project		
Other		
Total	\$300,000.00	

EXPENSE

Proposed Project Cost.

Project Budget	Amount	Funds
Project Cost		
Loans on Project		
Grants for Project		
Other/Outside Projects		
City's Amount	\$0.00	
Contingency 0%	\$0.00	
Total Amount	\$0.00	

Amount spent to date (approved and adopted by Council)

Budget	Amount	Funds
Total Budget Allocation		
Less Amount Spent to Date		
Remainder of Budget	\$0.00	

Proposed Cost (Approval of this item authorizes preparation of a budget revision for the proposed amount)

Expenditures	Amount	Fund
Proposed Expenditure		
Current Budget		
Additional Amount Requested		
Total Proposed Budget	\$0.00	

Responsible Staff:

Brooks Webb, Public Works Director

Cal Van Zee, Utility Division Manager

William Schott, Wastewater Treatment Plant Supervisor