



MEMORANDUM

TO: Finance Committee
FROM: Rich Olson, City Manager
Paul Fredette, Director of Public Works
DATE: August 7, 2013
REF: Consideration - Crescent Drive Sewer Replacement

BACKGROUND:

In FY 2004-2005, the City Council budgeted for sewer improvements; however, the construction cost for sewer replacement was significantly over budget. Therefore, the Crescent Drive project was one of the sewer improvement projects that was eliminated at that time. Last year, the City allocated funds in the FY 2012-2013 budget to replace the sewer line in Crescent Drive, intending to replace the sewer before the Crescent Drive street surface was repaired with this fiscal year's Powell Bill Fund appropriation.

ANALYSIS:

The City requested that qualified contractors submit informal bid proposals for the construction of this project. Two bids were received prior to the established deadline on Tuesday, August 6, 2013. The bids were as follows:

- Eastern Carolina Construction - \$248,730.72
- George Raper & Sons, Inc. - \$405,305.00

The project was funded in the FY 2012-2013 budget for \$194,000. A review of the bid document indicates approximately \$40,000 of potential deductions due to our estimate of unit quantities. In addition, City staff believes we can lower the cost by substituting City recycled asphalt versus purchasing ABC stone. After negotiation with the low bidder, the anticipated price with these cost savings is \$210,000.

STAFF RECOMMENDATION:

Staff recommends that the Finance Committee recommend that the City Council authorize the City Manager to enter into a Construction Contract with Eastern Carolina Construction in the amount of \$210,000 for the replacement of the sanitary sewer line on Crescent Drive from Parkview Drive to River Road.