



January 5, 2017

The Honorable Mayor Julie Moore-Wolfe and City Council
1 Gary K. Anderson Plaza
Decatur, IL 62523

**RE: Recommendation of Project Award
7th Ward Sewer Rehabilitation Project
City Project 2015-07**

Dear Mayor and City Council:

Competitive bids for the 7th Ward Sewer Rehabilitation project were opened December 13, 2016, at 10:00 AM at the Public Works Department. The project is comprised of a single contract to be awarded to the lowest responsive, responsible bidder. Eight bids were received, and there were no irregularities in the bidding process.

The work under this contract was estimated at \$13,731,320. The lowest bid was from SAK Construction, LLC, of O'Fallon, Missouri, at \$7,746,486 (43.6% below the estimate). The next lowest bid was from Insituform Technologies USA, LLC, of Chesterfield, Missouri, at \$8,391,660.20 (38.9% below the estimate). Three other bids were made in the \$9.4 million to \$9.7 million range; two bids were in the low \$13 million; and one bid was at \$14.4 million.

A comparison of the bids to the engineer's estimate shows that main cost differences were in the sewer cleaning and the large diameter CIPP liners (from 50" to 84"). SAK's costs for these items was 41% lower than the estimate. The spread in the five lowest bidders for these items was 17%, which suggests that SAK's overall bid price is reasonably consistent with the other lower bidders. It also indicates a high degree of competition. When SAK is excluded, the spread between the four other lower bidders drops to 11%, again suggesting reasonable and very competitive bids.

SAK Construction, LLC, has performed similar work for the City in the recent past on the Lake Shore Drive Sewer Rehabilitation project completed in 2012, which included sewers of similar diameter. SAK is a known contractor with a proven record, and is fully capable of performing high quality work in a timely and professional manner.

We recommend that the City of Decatur notify SAK Construction, LLC, as the lowest responsive, responsible bidder, of its intent to award this contract to SAK contingent upon approval by the Illinois Environmental Protection Agency and receipt of a loan offer by IEPA.

We would like to thank the City of Decatur for this opportunity to be of service.

Very truly yours,
BGM & Associates, Inc.

By:



H. David Harp, P.E.

Cc: Tim Gleason, City Manager
Rick Marley, PE, Public Works Director
Matt Newell, PE, City Engineer
Paul Caswell, PE, Assistant City Engineer
Heidi Allen, IEPA