



CITY COUNCIL COMMUNICATION

TO: Mayor and Council
FROM: Dan Braatz, Electric Division Manager
SUBJECT: Copper Replacement – Award Construction Contract
DATE: Monday, August 23, 2021, at 6:00 p.m.

Purpose and Recommended Action:

To approve a construction contract to Gila Cut-Out Construction for the Copper Replacement Project (Project No. 69-735, CIP No. EL2101).

Background:

This project will replace approximately 16 miles of overhead distribution line and 100 power poles throughout our system. The project will result in upgraded areas that are currently undersized for current and future loads.

City staff advertised the project and solicited bidders in accordance with A.R.S. Formal Bidding Procedures. A Notice for Invitation to Bids was published in the local newspaper. A mandatory pre-bid conference was held on July 14, 2021 and was attended by nine (9) prospective bidders.

On August 10, 2021, the City Clerk received four (4) bids that were publicly read with the following results:

| <u>Company</u> | <u>Bid Amount</u> |
|---------------------------|-------------------|
| Gila Cut-Out Construction | \$1,952,474.03 |
| Wilson Construction | \$4,634,591.95 |
| Sturgeon Electric | \$4,644,966.98 |
| American Power | \$5,795,915.49 |
| Engineers Estimate | \$2,437,000.00 |

Analysis:

Staff and T&D Services, our Electrical Engineer, reviewed the bid documents for completeness and accuracy. Staff and T&D has found that Gila Cut-Out Construction is the lowest responsive bidder and is qualified to complete the work, as specified for this project.

Therefore, the total contract award for Gila Cut-out Construction is recommended as:

Construction Contract \$1,952,474

Work is anticipated to begin in October and the established timeline for completion is 365 days.

Budget Recap:

| | |
|--|-------------|
| FY 2021 Budget | \$3,000,000 |
| Total Construction Contract | \$1,952,474 |
| Other Project Expenses | |
| Contingencies | 195,247 |
| 2021-22 Design/Construction Management | 60,000 |
| Other Project Expenses Total | \$255,247 |
| PROJECT TOTAL | \$2,207,721 |
| Balance | \$792,279 |



August 12, 2021

Hilary Cuenin – Project Management Assistant
City of Safford, Engineering Dept.
405 W. Discovery Park Blvd
Safford, AZ 85546

Re: Copper Replacement Project

Dear Hilary:

T&D has reviewed the bids you sent from the bid opening held on August 10th, 2021 for the referenced project. There were nine contractors who attended the pre-bid meeting and were eligible to bid, and COS received four submitted proposals. The numbers in the bids have all been checked for accuracy, and a few minor errors were corrected, but none of corrections change the ranking of the bids. The proposals were also reviewed for balance and reasonableness of pricing. After corrections the final bid results are:

| | |
|---------------------------|----------------|
| Gila Cut-Out Construction | \$1,952,474.03 |
| Wilson Construction | \$4,634,591.95 |
| Sturgeon Electric | \$4,644,966.98 |
| American Power | \$5,795,915.49 |

Recall that the Opinion of Probable Cost that T&D provided was \$2,437,000. While the three highest bids are well above this, the lowest one is below it. Part of the reason for the large gap is that the three high bids are from much larger companies, who likely employ union workers, have more overhead, and therefore have higher costs. Gila Cut-Out as you know is a much smaller company and runs leaner than the large contractors, and as a result is able to offer much more competitive pricing.

In addition, having completed several previous COS projects, Gila Cut-Out has the best insight into what it will take to complete the work, whereas the others may have been hesitant to offer better pricing without as much knowledge.

Due to their experience and significantly better offer, T&D recommends that COS accept the proposal from Gila Cut-Out Construction in the amount of \$1,952,474.03. In the event that COS finds this acceptable, I have enclosed the completed Acceptance page from the contract, to be signed and dated in triplicate by the authorized COS representatives, which will execute the contract. Once completed, please return the originals to our office.

Congratulations on receiving a very good offer for this project, we look forward to starting construction. As always if you have any questions, please contact me.

Sincerely,

Tim McLellan, P.E



BID OPENING REPORT

| | | | |
|----------------------------|---|-----------------------|--------------------------|
| PROJECT TITLE: | 2020 Copper Replacement | PROJECT NO.: | 69-735 |
| LOCATION: | City Hall, 717 W Main Street, Safford, AZ 85546 | DATE AND TIME: | August 10, 2021, 2:00 PM |
| ADVERTISED: | Eastern Arizona Courier, July 3 and 7, 2021 | ADDENDA: | 1 |
| PRE-BID CONFERENCE: | July 14, 2021, 9:00 AM | ESTIMATE: | \$2,437,000 |

| | Bidder | Date / Time Received | Bid Amount |
|-----|---------------------------|----------------------------|----------------|
| 1. | Wilson Construction | August 9, 2021 @ 2pm | \$4,634,591.95 |
| 2. | American Power LLC | August 10, 2021 @ 1:40pm | \$5,795,915.49 |
| 3. | Gila Cut Out Construction | August 10, 2021 @ 10:27 am | \$1,952,524.02 |
| 4. | Sturgeon Electric | August 10, 2021 @ 1:22 pm | \$4,649,278.98 |
| 5. | | | |
| 6. | | | |
| 7. | | | |
| 8. | | | |
| 9. | | | |
| 10. | | | |

Signed: Webster Date: 8-10-21

Signature of those present:

M. Shultz
Adam Chacon

Dan McEhatten
Andy Mack

[Signature]
Healey Clemen