



Date: July 2<sup>nd</sup>, 2025

To: City Council and Administration

From: Carl R. Ray, Water and Wastewater Director

Re: Award Recommendation for Installation of WTP MCC, WTP Generator, WTP Service Entrance & MDS, and WWTP Generator

The Water Treatment Plant (WTP) Motor Control Center (MCC) and standby generator share electrical equipment and the installation of both have a great deal of overlapping work. The MCC has a Department of Local Affairs (DOLA) Energy Impact and Mineral Assistance Fund (EIAF) grant. The WTP generator and the Wastewater Treatment Plant (WWTP) generator have a Congressionally Directed Spending (CDS) grant.

Adequate standby power generation was discussed for a few years and introduced as budgetary items in 2021. The need for a new MCC was also discussed for years and introduced as a budgetary item in 2022.

Due to the overlapping nature of the WTP MCC and generator and in hopes of some economy scale, the installation of equipment for all three projects were bid at the same time. The bids were received and overall, it appears we have a shortage of funding, however the equipment has already been ordered, stored, or received. In an effort to reduce costs the city has already purchased all of the equipment for this project to be installed by the construction contractor. The following is a breakdown of the equipment that has been purchased: WTP Generator/ATS and MDS - \$385,288.00, WTP MCC - \$117,582.73, and WWTP Generator/ATS - \$175,222.00.

The scope of the two grants do allow some flexibility. It may be possible to modify the scope of the DOLA grant and the CDS grant allows us flexibility as to how much we assign to each of the generators. It appears that we will not use all of the DOLA grant for the MCC and I am in the process of trying to get the scope of work for the grant expanded. Assuming the service entrance and Main Distribution Switchboard (MDS) will be allowed by DOLA, we would still have additional funds in the DOLA grant that could be applied toward installation of the WTP Generator if we are allowed a scope change. The

table on the page 3 breaks down the funding, expenditures, and a proposed reallocation of budget to make the installation viable when consideration is given for the offset of \$405,500 in City of Craig Water Funds that were not needed for the Marianna Way/Circle Drive Water Line Replacement and the 10<sup>th</sup> Street Water Line Replacement.

The installation of the equipment was properly bid two times with no bids received the first time even though we had several interested contractors. We reached out to the interested parties and all except Ducey's Electric said they did not have time in their schedule to complete the work. Ducey's Electric indicated that due to the complicated nature of the project they did not have adequate time and had questions that he needed addressed. We re-bid the projects to the public and addressed Ducey's questions, but only received one bid from Ducey's Electric. The bid breakdown is as follows:

Lump Sum Bid Price -Phase 1: WTP Generator Installation	\$ 328,500.00
Lump Sum Bid Price -Phase 1: WTP Service Entrance and MDS	\$ 427,500.00
Lump Sum Bid Price -Phase 2: WTP MCC Replacement	\$ 210,600.00
Lump Sum Bid Price -WWTF Generator Installation	\$ 467,982.00
Lump Sum Bid Price-Additive Alternate -WTP Old Plant Clean-up	\$ 37,800.00
Profit at 10%	\$ 163,598.00
<b>Total of All Bid Items</b>	<b>\$1,635,980.00</b>

EPA is administering the CDS grant and due to the sole bidder, the bid had to be modified to show profit, but the total did not change. In order to complete the work by the end of the year, the contractor is proposing to commence work starting on July 14<sup>th</sup>, 2025. Our engineering team recommends accepting the bid and alternate and we are in agreement with the recommendation. We realize that DOLA approval of the scope change is not a given and the budget would need to be adjusted as proposed, but we are under a time constraint and DOLA grant deadline to complete the project in 2025. Even if DOLA does not approve the scope change, but the budget is adjusted to have the Water Fund shortage, there are enough savings in the previously awarded projects to coverage the overage (see Table on page 3).

In summary, we would like to decrease the amount of CDS funds used for the WTP Generator, and increase the amount of CDS fund used for the WWTP Generator. We will attempt to maximize the use of the DOLA funding for the MCC by requesting a scope revision. With the proposed budgetary changes, the projects would by short a total of \$26,355.27 which could potentially be offset by the DOLA scope change and/or the \$406,500 in City funds from the bids on two projects been less than the EOPC's.

Financial Analysis of WTP MCC, WTP Generator, and WWTP Generator Projects

Anaysis and Proposed Budget Revisions

Item	Original Grant Award	City Funds	Grant Funds	Previously Expended	Grant Reimbursement	Total Remaining Funds	2025 Revised Budget	Proposed Revised Budget	Proposed Re-Allocation
WTP MCC	\$1,200,000.00	\$600,000.00	\$600,000.00	\$224,807.07	\$86,000.00	\$975,192.93	\$1,218,428.00	\$1,218,428.00	\$0.00
WTP Generator	\$540,000.00	\$0.00	\$540,000.00	\$0.00	\$0.00	\$540,000.00	\$780,000.00	\$384,798.00	-\$395,202.00
WWTP Generator	\$540,000.00	\$0.00	\$540,000.00	\$0.00	\$0.00	\$540,000.00	\$500,000.00	\$695,202.00	\$195,202.00
						\$2,055,192.93		\$2,298,428.00	

Breakdown of Expenditures with Proposed Budget Revision

Item	Bid Amount	Outstanding Equipment	Remaining Funds
WTP MCC Install	\$709,000.00	\$117,582.73	\$391,845.27
WTP Generator Install	\$365,000.00	\$385,288.00	-\$365,490.00
WWTP Generator Install	\$519,980.00	\$175,222.00	\$0.00
			\$26,355.27

Water Projects Previously Awarded- Bid vs Budget

	Budget	City	DOLA	Bid	Total Remaining	City Remaining
Marianna Way/Circle Drive	\$739,860.00	\$360,930.00	\$360,930.00	\$463,300.00	\$276,560.00	\$138,280.00
10th Street Water Line	\$1,320,240.00	\$554,760.00	\$554,760.00	\$783,800.00	\$536,440.00	\$268,220.00
					\$813,000.00	\$406,500.00

July 3, 2025

Carl Ray  
Water & Wastewater Director  
City of Craig  
300 W 4<sup>th</sup> Street  
Craig, CO 81625

**RE: Bid Award Recommendation – WTP and WWTF Generator installation**

Dear Carl,

The City of Craig first issued a bid request in May 2025 for installation of a generator at the WWTF, and a generator, MCC and new service entrance at the WTP. No bids were received.

The City re-issued the bid request in June 2025. One bid was received on the second issuance, from Ducey Electric. The prices are reasonable but are more than estimated. The bid breakdown that follows includes one add alternate for City consideration.

Lump Sum Bid Price – Phase 1: WTP Generator Installation	\$ 328,500.00
Lump Sum Bid Price – Phase 1: WTP Service Entrance and MDS	\$ 427,500.00
Lump Sum Bid Price – Phase 2: WTP MCC1 Replacement	\$ 210,600.00
Lump Sum Bid Price – WWTF Generator Installation	\$ 467,982.00
Lump Sum Bid Price – Additive Alternate – WTP Old Plant Clean-up	\$ 37,800.00
Profit at 10 %	\$ 163,598.00


Ducey Electric has successfully completed previous work at the City's WTP and WWTF. This is a more complex project but they are capable of performing the work.

SGM recommends project award to Ducey Electric. This project is very important for reliable plant operations and the City already purchased generators, MCC and MDS. The project has been bid twice, with only one response the second time. The City should evaluate available funds and consider award of the add alternate.

The Notice of Award is attached hereto to complete award.

If you have any questions or we can be of any further service, please contact me directly.

Respectfully,  
**SGM**

  
Chad Paulson, PE  
Project Engineer

## SECTION 00 41 00

### BID FORM FOR CONSTRUCTION CONTRACT

The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

#### ARTICLE 1—OWNER AND BIDDER

- 1.01 This Bid is submitted, in electronic format or mailed to the Owner as set forth in the Advertisement for Bids.
- 1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

#### ARTICLE 2—ATTACHMENTS TO THIS BID

- 2.01 The following documents are submitted with and made a condition of this Bid:
- A. Required Bid security;
  - B. List of Proposed Suppliers;
  - C. Evidence of authority to do business in the state of the Project; or a written covenant to obtain such authority within the time for acceptance of Bids;
  - D. Contractor's license number as evidence of Bidder's State Contractor's License or a covenant by Bidder to obtain said license within the time for acceptance of Bids;
  - E. Bidder Qualification Statement 00 45 10 with supporting data, if required; and

#### ARTICLE 3—BASIS OF BID-

3.01 *Lump Sum Bids*

- A. Bidder will complete the Work in accordance with the Contract Documents for the following lump sum (stipulated) price(s), together with any Unit Prices indicated in Paragraph 3.02:

1. Lump Sum Price (Single Lump Sum)

Lump Sum Bid Price – Phase 1: WTP Generator Installation	\$ 328,500.00
Lump Sum Bid Price – Phase 1: WTP Service Entrance and MDS	\$ 427,500.00
Lump Sum Bid Price – Phase 2: WTP MCC1 Replacement	\$ 210,600.00
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Profit at <u>10</u> %	\$ 163,598.00

*Alan R. Ducey*