



Date: February 19th, 2024

To: City Council and Administration

From: Carl R. Ray, Water and Wastewater Director

Re: Award Recommendation for 2024 Sewer Main Replacements

Four high priority areas needing sewer main replacement were identified in 2022. We sought DOLA funding to assist in completing the project and were awarded \$477,892 in DOLA funding, EIAF 9563, to proceed with three of the four segments identified.

The project was put out to bid in June of 2023 and we received one bid which was over the EOPC of \$955,783. We felt the lack of bids was partially due to the short timing to get the project completed and most contractors had already scheduled work previously. We decided to re-bid the project at the end of 2023.

The project was re-budgeted for 2024 and the City of Craig contribution was increased to \$746,108 to give a project total of \$1,224,000. The bid was advertised and made public on December 28th, 2023. We had a mandatory pre-bid meeting on January 24th, 2024 which was attended by representatives from 9 companies. The bid opening was on February 13th, 2024 and two bids were received; one from XField Services in the amount of \$1,561,554 and one from Anson Excavating in the amount of \$1,395,000.

The engineer's recommendation is attached and they recommend awarding to Anson Excavating. We have seen dramatic price increases in construction projects. The segments identified definitely need replacement, however the low bid by Anson Excavating is still \$165,554 over the budgeted amount. Costs increase in construction may increase in the future. Given the engineer's recommendation and construction cost considerations, we recommend awarding the bid to Anson Excavating in the amount of \$1,395,000.