



## REQUEST FOR BOARD ACTION

ITEM NO. 20

**DATE OF MEETING:** March 16, 2015

**REQUESTED BY:** Michael G. Mack, Utilities Director

**SHORT TITLE:** Resolution to Approve a “Conditional Award” of the Lump Sum Base Bid Less the Alternate Deduct Bid No. 1 for Phase II of the Pender Commerce Park Wastewater Treatment Plant Construction and Authorization of a Purchase Order for the Contract to RTD Construction, Inc. (RTD) in the Total Amount of \$12,003,669.00.

**BACKGROUND:** Pender County was contractually required to accept up to 80,000 gallons per day of wastewater flow from Acme Smoked Fish beginning October. 1, 2014 until such time as the Pender Commerce Park WWTP was operational. During the interim the wastewater flow has been treated at the Town of Wallace Wastewater Treatment Plant by way of a pump and haul permit previously approved by the Board of County Commissioners (BoCC) on Sept. 15, 2014. In addition the Pender Commerce Park WWTP – Phase 1 has been under construction since the BoCC resolution of award of contract on Feb. 18, 2014.

Formal Bids were received and opened on Dec. 18, 2014 per the bid tab below:

RTD Construction, Inc. (Base Bid)	\$ 12,103,669.00
(Less) Alternate Bid No. 1	\$ 100,000.00
English Construction Co., Inc.	\$12,268,875.00
T.A. Loving Co.	\$12,375,000.00
Wharton-Smith Inc.	\$12,572,000.00
Crowder Construction	\$13,237,000.00

The responsive low bidder is RTD Construction, Inc. and the Recommendation of Award to RTD Construction, Inc. from McKim & Creed (Engineer of Record) is attached.

Due to funding constraints and the U.S. Department of Commerce – EDA Grant Award for the Project, award of this construction contract is conditional upon 1) LGC Board approval of funding for the project 2) U.S. Department of Commerce - EDA approval of project award, 3) and receipt of loan proceeds by Pender County.

**SPECIFIC ACTION REQUESTED:** To approve a "Conditional Award" of the Lump Sum Base Bid (\$12,103,669.00) Less Alternate Bid No. 1 (\$100,000.00) for Phase II of the Pender Commerce Park Wastewater Treatment Plant Construction and Authorization of a Purchase Order for the contract to RTD Construction, Inc. (RTD) in the total amount of \$12,003,669.00. The conditions of award include 1) LGC Board approval of funding for the project 2) U.S. Department of Commerce - EDA approval of project award, and 3) receipt of loan proceeds by Pender County.

**COUNTY MANAGER'S RECOMMENDATION**

Respectfully recommend approval.



Initial

**RESOLUTION**

**NOW, THEREFORE BE IT RESOLVED** by the Pender County Board of Commissioners:

that a "Conditional Award" of the Lump Sum Base Bid (\$12,103,669.00) Less Alternate Bid No. 1 (\$100,000.00) for Phase II of the Pender Commerce Park Wastewater Treatment Plant Construction and Authorization of a Purchase Order for the contract to RTD Construction, Inc. (RTD) in the total amount of \$12,003,669.00 is approved and authorized. The conditions of award include 1) LGC Board approval of funding for the project 2) U.S. Department of Commerce - EDA approval of project award, and 3) receipt of loan proceeds by Pender County.

The Chairman/County Manager is authorized to execute any document necessary to implement this resolution.

**AMENDMENTS:**

MOVED \_\_\_\_\_ SECONDED \_\_\_\_\_

APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_ UNANIMOUS \_\_\_\_\_

YEA VOTES: Williams \_\_\_ Brown \_\_\_ McCoy \_\_\_ Piepmeyer \_\_\_ Tate \_\_\_

\_\_\_\_\_  
J. David Williams, Jr. Chairman      03/16/15  
Date

\_\_\_\_\_  
ATTEST      03/16/15  
Date

## **ADDITIONAL INFORMATION – PCP-WWTP – PHASE II BID AWARD**

The following efforts were previously expended to enable execution of a construction award for the construction of the Pender Commerce Park WWTP – Phase 2:

- Sept. 2, 2014; BoCC adoption of a resolution approving a Pender County contractor prequalification policy and a project specific contractor prequalification application for Pender Commerce Park WWTP – Phase 2.
- Dec. 1, 2014; BoCC adoption of a resolution authorizing adoption of a capital project budget ordinance for the engineering, design, permitting, bidding, inspections, and construction of the new Pender Commerce Park WWTP.
- Jan. 5, 2015; BoCC public hearing and consideration of preliminary resolution on financing for various county projects, including Old Topsail School renovation and Pender Commerce Park WWTP.

Twelve (12) contractor applications were received on Oct. 3, 2014 requesting pre-qualification status to bid on the project. Of the twelve (12) contractor applications, seven (7) contractors scored high enough to deem them pre-qualified to submit bids on the project and five (5) of the pre-qualified contractors did submit formal bids.

PCU staff and McKim & Creed have been working over the past several months with RTD Construction to evaluate and negotiate potential cost savings associated with this project. To date, we have approved \$304,500 in cost savings so far and are continuing to evaluate and negotiate up to an additional \$568,800 in potential savings on this project.

Based on conversations with Skip Green (Grant Administrator), RTD Construction, and McKim & Creed, PCU elected to recommend award of the entire bid (less the \$100,000 deduct Alternate Bid) and immediately enter into a “Deduct Change Order” with RTD Construction upon issuance of the Notice to Proceed for each of the cost savings currently approved and to be determined in the near future. This prevents Pender County from having to change all the financing projections and grant award documents that could only further delay the award of this contract. Any cost savings deducted via formal Change Order from RTD Construction’s contract will be used as “Construction Contingency Funding” and if unused during the project, may be applied towards the O & M or Debt Service Budgets for this project.