



MOORE & BRUGGINK, INC.
consulting engineers

June 8, 2016

Re: Charlotte WWTP Grit System
Renovation
Project No. 150202.01

Ms. Amy Gilson
City of Charlotte
111 E Lawrence Avenue
Charlotte, Michigan 48813

Dear Ms. Gilson:

Three bids were received at 2:30 p.m., on Monday, June 6, 2016, for the ***Charlotte WWTP Grit System Renovation*** project. All bid submittals were reviewed and checked for accuracy. Enclosed is a copy of the tabulation of bids.

Skye Contracting Company submitted the low bid for the project in the amount of \$529,800.00. The engineer's estimate was \$480,000.00.

The two lowest bid prices were close to each other in price. Due to the difference in the Engineer's estimate and the lowest bid price provided, Moore & Bruggink engaged each Contractor in discussions concerning final costs and possible value-engineering areas. It was through these conversations, we deduced that the bidding documents defined the project well, and the Contractors were comfortable with the pricing they provided. Little, if any, additional monies were added in for project unknowns due to the well-defined documents, and therefore provide for a better competitive bid resulting in close bid amounts.

Also contributing to higher bids is the current construction environment, as most Contractors currently have work and can obtain larger margins for profit. This has not been the case the past few years as projects were less frequent, Contractors were forced to reduce their profit margins to stay active and competitive. This has also created demand for materials and labor, causing overall project construction cost increases. Across the board, we have been seeing increases of 10-15% in all construction projects bid this year.

The lower two Contractors, and the grit chamber manufacturer, were asked about areas in which value-engineering could be assigned in order to decrease the overall project cost. Through multiple conversations, it was determined that changes to project items would result in degrading the integrity of the final product, or require alterations that could result in higher cost.

The low bidder has a satisfactory performance record on previous projects, and following our discussions concerning the pricing, we recommend that a contract be awarded to Skye Contracting Company in the amount of \$529,800.00.

Sincerely,

A handwritten signature in blue ink, appearing to read 'JSL', with a stylized flourish at the end.

Jeffrey S. Landers, P.E.
Project Engineer

JSL/pim
Enclosure

cc: Larry Erhardt, Skye Contracting LLC

TABULATION OF BIDS

PROJECT: Charlotte Grit Chamber Renovation Project – 150202.01

BIDS RECEIVED: TIME: 2:30 p.m.

DATE: Monday, June 6, 2016

PLACE: Office of the Clerk, City of Charlotte
111 E Lawrence Avenue
Charlotte MI 48813

ENGINEER'S ESTIMATE: \$480,000.00

Contractor	Bid Bond	Add #1	Add #2	Add #3	Bid Signed	Bid Amount
Skye Contracting Company	√	√	√	√	√	\$529,800.00
Davis Construction Company	√	√	√	√	√	\$542,000.00
Grand River Construction Co.	√	√	√	√	√	\$594,700.00