



ENGINEERING & ENVIR. SVCS. DEPARTMENT

Hameed Malik, Ph.D., P.E., Director

MEMORANDUM

TO: Ms. Geri Sams, Director - Procurement

FROM:  Hameed Malik, Ph.D., PE, Director- Engineering & Environmental Services

DATE: Monday, September 16, 2024

SUBJECT: Construction Services for McNutt Road Improvement Project
Bid: 24-215
File Reference: 24-014(A)

It is recommendation of Augusta Engineering to award Bid 24-215 / Construction Services for McNutt Road Improvement Project to the lowest qualified bidder, Reeves Construction Company (Reeves). Accordingly, Augusta Engineering will prepare bid contract award agenda item for Augusta Commission approval. Contract award will be contingent upon Reeves submitting all required documents such as bid bonds, insurance documents.

Should you require additional information, please do not hesitate to contact me at (706)796-5040.

Thank you.

/hm

cc: Darrell White & Nancy Williams, Procurement Department
AE Assistant Director of Engineering
AE Assistant Director Finance & Administration
AE Associate Director Construction & Program Delivery
Program File



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TO: Ms. Geri Sams, Director - Procurement

FROM:  Hameed Malik, Ph.D., PE, Director- Engineering & Environmental Services

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SUBJECT: Construction Services for McNutt Road Improvement Project
Cost Variance Justification
Bid: 24-215
File Reference: 24-014(A)

Ms Sams, this memo is to render a justification for cost variance between the "Estimated Cost" and the received Bid Proposal reference the subject project. This project construction consists of paving dirt road and improvements consist of grading, utilities relocation and drainage system. Received lowest bid amount is \$5,152,988.90. Other two received bids amount is \$5,742,192.56 and \$5,992,859.22, respectively. There is 4% to 11% variance from received bids median value. Noted variance, in my professional opinion, within acceptable variance range of current roadway infrastructure construction cost. There is significant cost escalation in material production cost, skilled workforce labor cost and significant increase in construction work at present. In addition, construction market experiencing inflation and interest rate cost escalation too. Accordingly, responsible bidders are adjusting unit process and are not offering similar work pre-COVID pricing.

Augusta Engineering recommendation to accept received fee with cost reduction options consideration during construction.

Thank you.

cc: Darrell White & Nancy Williams, Procurement Department
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AE Assistant Director Finance & Administration
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