

August 8, 2023

VIA EMAIL & US MAIL

Gary Zuroff
Public Works Director
3411 Public Works Blvd
Dickinson, ND 58601

**Subject: Dickinson Landfill Cell 3B-5 Construction Award Recommendation
City Project #: 202313
Houston Engineering Project No. 6167-0011**

Dear Gary:

We have completed our review of the bids for the Cell 3B-5 Construction Project, City Project # 202313. Please find attached the bid tabulation for the two (2) bids that were opened and read aloud on Thursday August 3, 2023.

The bids were evaluated for conformance with the bidder requirements listed in the Instructions to Bidders and the Bid Form. The bids are summarized in the following table:

Contractor	Total Bid (\$)	Amount Greater than low bid (\$)
Martin Construction, Inc.	\$3,671,794.56	\$ -
Veit & Company, Inc.	\$4,276,777.00	\$604,982.44
<i>ENGINEER'S OPCC</i>	\$2,919,214.85	\$(752,579.91)

A detailed summary of the bid responses is provided in the **Attachment A**. The bids were reviewed for accuracy, completeness, and responsiveness. No mathematical errors were observed on any of the bid responses.

The lowest bid was received from Martin Construction, Inc. The documentation provided by Martin Construction, Inc. satisfied the solicitation conditions established in the project manual as follows:

- 1) Receipt of Addendum 1 was acknowledged.
- 2) A valid North Dakota Contractor's License was provided.
- 3) The Bid Form was properly executed with Corporate Acknowledgement provided.

The bid response provided by Martin Construction, Inc. was approximately 16 percent lower than the next lowest bidder and approximately 26 percent higher than the Engineers Opinion of Probable

Construction Cost (OPCC). Comparing the response provided by Martin Construction, Inc. and the Engineers OPCC, major differences were noted for a number of items. Below is a summary of the contract items that represented significant differences from the OPCC.

Item - Description	Engineer OPCC (\$)	Martin Construction, Inc. Bid (\$)	Difference (\$)
Bid Item 3 - Demolition and Removals (Existing Piping)	\$3,438.00	\$72,495.96	\$69,057.96
Bid Item 5 - Salvage and Replace Existing Fence	\$12,825.00	\$108,157.50	\$95,332.50
Bid Item 18 – Re-Compacted Soil Barrier Layer (CV) (P)	\$375,760.00	\$548,072.80	\$172,312.80
Bid Item 23 – Leachate Collection Pipe Cleanout (8" HDPE)	\$46,436.00	\$108,354.74	\$61,918.74
Bid Item 34 – Class 13 Aggregate Surface	\$258,600.00	\$365,488.00	\$106,888.00
		Total	\$505,510.00

The five contract items listed above represent 67% of the difference in value between the OPCC and the response provided by Martin Construction, Inc. The items are a combination of Contractor services consisting of demolition, salvage and earthwork related activities along with Contractor provided materials including various piping and aggregate placement.

We did reach out to Martin Construction, Inc. following the bid opening to acknowledge that they are the low bid and to confirm the bid provided. Based on conversation with representatives from Martin Construction, Inc. we surmise the differences in the demolition and salvage items are likely due to a misunderstanding of the project expectations. Martin Construction, Inc. proposed a unit price of \$31.63 per lineal foot to demolish and remove 2,292 linear feet of existing piping (misc. sizes) that would be mostly exposed by the excavation effort completed under bid item 16 to construct Cell 3B-5. It is unclear what effort would be required to justify the significant cost of this item. Like the piping removals Martin Construction, Inc. proposed a unit price of \$126.50 per lineal foot to remove and replace 855 linear feet of existing onsite fencing. We recognize the tedious nature of this work. However, the value of this work is considerably higher than similar work completed for recently bid projects.

The project involves the placement of re-compacted soil barrier layer (clay) materials on a side-slope with a grade of 2.5:1. This is an uncommon practice in the solid waste industry but necessary for this facility as result of limited onsite materials for liner construction and the need to maximize facility life with increased airspace capacity. The project was developed to include an allotment for additional soil material placement in excess of the project specified liner grades. This project approach was developed to accommodate for the hardship and difficulties of constructing the proposed side-slope liner on a 2.5:1

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grade. The additional materials were provided to over-construct the landfill base liner grades to an approximate 3:1 grade accommodating the Contractors ability to remove the excess materials to establish the 2.5:1 side-slope for constructability. The cost provided for clay liner placement does not appear consistent with recently bid projects for similar work when considering the project accommodation of additional materials to aid in constructability.

The provided costs associated with the piping and aggregate materials are significantly higher than similar items recently bid on other landfill projects in the region. We recognize that the inflated pricing may be influenced by local pressure regarding material availability.

A major component of the inflated project pricing is likely related to the abbreviated project schedule. The project was advertised with a substantial completion date of May 31, 2024. Considering the uncertainty of Spring 2024 conditions the proposed substantial completion date necessitated most of the project work being completed during the 2023 construction season.

The project was bid late in the 2023 construction season as result of necessary approvals for the North Dakota Department of Environmental Quality (NDDEQ) for project permitting and related restrictions for project funding from the North Dakota Clean Water State Revolving Fund (CWSRF) program. The project was first advertised on July 12, 2023. As detailed in the advertisement to bidders a non-mandatory pre-bid meeting was scheduled for July 20, 2023. In total ten (10) prospective bidders downloaded plans for the project. However, only one (1) prime bidder attended the pre-bid meeting. We suspect that the aggressive project schedule likely reduced interest in the project leading to only two (2) prospective contractors providing bid responses to the City.

It is our recommendation that the City of Dickinson reject the responses provided based on the unaffordable nature of the proposed total project cost. Per our review of the responses provided it is apparent that a number of factors lead to the limited interest and increased pricing for the project. Rebidding the project later this year, identifying a longer construction window during the 2024 construction season, may result in additional project interest.

HEI has communicated with facility staff regarding a delay to the construction of Cell 3B-5. Based on those conversations the facility will not be impacted from an operational perspective with the proposed project delay.

If you have any questions or require additional information, please contact me at (763) 493-6660 or by e-mail at dmcalpine@houstoneng.com.

Sincerely,

HOUSTON ENGINEERING, INC.

A handwritten signature in blue ink, appearing to read 'Dennis McAlpine', is written over the company name.

Dennis McAlpine, PE
Project Manager

Attachment

cc: HEI – Bismarck



CITY OF DICKINSON, ND
Attachment A - BIDDER PROPOSALS BID TABULATION
 Cell 3B-5 Construction Project
 City Project 202313

Item #	Spec Ref#	Item Description	Unit	Quantity	Engineers Estimate		Martin Construction, Inc.		Veit & Company, Inc.		Average	
					Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
1	SP1	Mobilization & Demobilization	LS	1	\$ 264,069.35	\$ 264,069.35	\$ 309,480.73	\$ 309,480.73	\$ 989,768.00	\$ 989,768.00	\$ 649,624.37	\$ 649,624.37
2	SP2	Clearing and Grubbing	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 14,250.00	\$ 14,250.00	\$ 10,000.00	\$ 10,000.00	\$ 12,125.00	\$ 12,125.00
3	SP3	Demolition and Removals (Existing Piping)	LF	2292	\$ 1.50	\$ 3,438.00	\$ 31.63	\$ 72,495.96	\$ 12.00	\$ 27,504.00	\$ 21.82	\$ 49,999.98
4	SP4	Demolition and Removals (Existing Site Fencing)	LF	893	\$ 5.00	\$ 4,465.00	\$ 27.50	\$ 24,557.50	\$ 10.00	\$ 8,930.00	\$ 18.75	\$ 16,743.75
5	SP5	Salvage and Replace Existing Fence	LF	855	\$ 15.00	\$ 12,825.00	\$ 126.50	\$ 108,157.50	\$ 15.00	\$ 12,825.00	\$ 70.75	\$ 60,491.25
6	SP6	Demolition and Removals (Existing Leachate Pond Geomembrane)	SY	2037	\$ 5.00	\$ 10,185.00	\$ 5.20	\$ 10,592.40	\$ 2.00	\$ 4,074.00	\$ 3.60	\$ 7,333.20
7	SP7	Salvage Existing Gravel Surfacing (CV) (1-foot depth)	CY	818	\$ 10.00	\$ 8,180.00	\$ 14.49	\$ 11,852.82	\$ 7.00	\$ 5,726.00	\$ 10.75	\$ 8,789.41
8	SP8	Leachate Conveyance Manhole Modification	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 7,607.50	\$ 7,607.50	\$ 2,000.00	\$ 2,000.00	\$ 4,803.75	\$ 4,803.75
9	SP9	Watering for Construction/Dust Control	1000 GAL	1536.8	\$ 25.00	\$ 38,420.00	\$ 44.24	\$ 67,988.03	\$ 70.00	\$ 107,576.00	\$ 57.12	\$ 87,782.02
10	SP10	Haul Road Maintenance	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 20,100.00	\$ 20,100.00	\$ 130,200.00	\$ 130,200.00	\$ 75,150.00	\$ 75,150.00
11	SP11	Stormwater/Leachate Control & Removal	LS	1	\$ 25,000.00	\$ 25,000.00	\$ 15,538.00	\$ 15,538.00	\$ 40,000.00	\$ 40,000.00	\$ 27,769.00	\$ 27,769.00
12	SP12	Test Pit Excavation	HR	40	\$ 200.00	\$ 8,000.00	\$ 491.25	\$ 19,650.00	\$ 800.00	\$ 32,000.00	\$ 645.63	\$ 25,825.00
13	SP13	Muck Excavation (CV)	CY	6,500	\$ 8.00	\$ 52,000.00	\$ 10.57	\$ 68,705.00	\$ 15.00	\$ 97,500.00	\$ 12.79	\$ 83,102.50
14	SP14	Waste Excavation (LV)	CY	500	\$ 8.00	\$ 4,000.00	\$ 28.94	\$ 14,470.00	\$ 10.00	\$ 5,000.00	\$ 19.47	\$ 9,735.00
15	SP15	Subgrade Correction (CV)	CY	5,000	\$ 15.00	\$ 75,000.00	\$ 8.90	\$ 44,500.00	\$ 10.00	\$ 50,000.00	\$ 9.45	\$ 47,250.00
16	SP16	Common Excavation (CV) (P)	CY	221,909	\$ 4.50	\$ 998,590.50	\$ 4.82	\$ 1,069,601.38	\$ 4.00	\$ 887,636.00	\$ 4.41	\$ 978,618.69
17	SP17	HDPE Geomembrane Liner (60 mil)	SY	20,343	\$ 9.00	\$ 183,087.00	\$ 9.19	\$ 186,952.17	\$ 12.00	\$ 244,116.00	\$ 10.60	\$ 215,534.09
18	SP18	Re-Compacted Soil Barrier Layer (CV) (P)	CY	53,680	\$ 7.00	\$ 375,760.00	\$ 10.21	\$ 548,072.80	\$ 12.00	\$ 644,160.00	\$ 11.11	\$ 596,116.40
19	SP19	Sand Drainage Layer (placement only)	CY	7,151	\$ 10.00	\$ 71,510.00	\$ 11.54	\$ 82,522.54	\$ 14.00	\$ 100,114.00	\$ 12.77	\$ 91,318.27
20	SP20	Leachate Collection Trench (includes fabric, 8" HDPE perf pipe & rock)	LF	866	\$ 240.00	\$ 207,840.00	\$ 121.90	\$ 105,565.40	\$ 163.00	\$ 141,158.00	\$ 142.45	\$ 123,361.70
21	SP20	Leachate Collection Drainage Wrap (includes fabric & rock)	LF	387	\$ 162.00	\$ 62,694.00	\$ 56.27	\$ 21,776.49	\$ 92.00	\$ 35,604.00	\$ 74.14	\$ 28,690.25
22	SP20	Leachate Collection Pipe Cleanout (6" HDPE)	LF	423	\$ 32.00	\$ 13,536.00	\$ 79.77	\$ 33,742.71	\$ 50.00	\$ 21,150.00	\$ 64.89	\$ 27,446.36
23	SP20	Leachate Collection Pipe Cleanout (8" HDPE)	LF	1,222	\$ 38.00	\$ 46,436.00	\$ 88.67	\$ 108,354.74	\$ 50.00	\$ 61,100.00	\$ 69.34	\$ 84,727.37
24	SP20	Leachate Collection Cleanout Pipe Extension (6" PVC DR-17)	LF	376	\$ 38.00	\$ 14,288.00	\$ 128.65	\$ 48,372.40	\$ 40.00	\$ 15,040.00	\$ 84.33	\$ 31,706.20
25	SP20	Leachate Sump Riser Pipe Perforated (24" HDPE)	LF	5	\$ 350.00	\$ 1,750.00	\$ 1,227.68	\$ 6,138.40	\$ 2,000.00	\$ 10,000.00	\$ 1,613.84	\$ 8,069.20
26	SP20	Leachate Sump Riser Pipe Solid (24" HDPE)	LF	231	\$ 240.00	\$ 55,440.00	\$ 242.03	\$ 55,908.93	\$ 240.00	\$ 55,440.00	\$ 241.02	\$ 55,674.47
27	SP21	Bollards	EA	8	\$ 1,100.00	\$ 8,800.00	\$ 1,543.81	\$ 12,350.48	\$ 500.00	\$ 4,000.00	\$ 1,021.91	\$ 8,175.24
28	SP22	Amended Seed Bed	SF	143,400	\$ 0.06	\$ 8,604.00	\$ 0.39	\$ 55,926.00	\$ 0.15	\$ 21,510.00	\$ 0.27	\$ 38,718.00
29	City	15" RCP Culvert	LF	75	\$ 85.00	\$ 6,375.00	\$ 160.58	\$ 12,043.50	\$ 105.00	\$ 7,875.00	\$ 132.79	\$ 9,959.25

Item #	Spec Ref#	Item Description	Unit	Quantity	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
30	City	18" RCP Culvert	LF	389	\$ 95.00	\$ 36,955.00	\$ 171.97	\$ 66,896.33	\$ 92.00	\$ 35,788.00	\$ 131.99	\$ 51,342.17
31	City	15" RCP Apron	EA	2	\$ 1,100.00	\$ 2,200.00	\$ 979.66	\$ 1,959.32	\$ 1,500.00	\$ 3,000.00	\$ 1,239.83	\$ 2,479.66
32	City	18" RCP Apron	EA	12	\$ 1,300.00	\$ 15,600.00	\$ 1,185.32	\$ 14,223.84	\$ 2,000.00	\$ 24,000.00	\$ 1,592.66	\$ 19,111.92
33	City	Rip Rap	TON	12	\$ 110.00	\$ 1,320.00	\$ 316.14	\$ 3,793.68	\$ 230.00	\$ 2,760.00	\$ 273.07	\$ 3,276.84
34	City	Class 13 Aggregate Surface	TON	8,620	\$ 30.00	\$ 258,600.00	\$ 42.40	\$ 365,488.00	\$ 41.50	\$ 357,730.00	\$ 41.95	\$ 361,609.00
35	City	Silt Fence	LF	1,065	\$ 3.20	\$ 3,408.00	\$ 1.93	\$ 2,055.45	\$ 3.00	\$ 3,195.00	\$ 2.47	\$ 2,625.23
36	City	9-inch Straw Wattles	LF	500.00	\$ 2.67	\$ 1,335.00	\$ 4.29	\$ 2,145.00	\$ 4.00	\$ 2,000.00	\$ 4.15	\$ 2,072.50
37	City	Temporary Erosion Control Blanket	SY	250.00	\$ 3.00	\$ 750.00	\$ 3.85	\$ 962.50	\$ 5.00	\$ 1,250.00	\$ 4.43	\$ 1,106.25
38	City	Seeding, Mulch, Fertilizer & Disk Anchoring	SF	143,400	\$ 0.03	\$ 4,302.00	\$ 0.17	\$ 24,378.00	\$ 0.20	\$ 28,680.00	\$ 0.19	\$ 26,529.00
39	SP20	Leachate Collection Drainage Wrap 8" HDPE perf pipe	LF	254	\$ 38.00	\$ 9,652.00	\$ 57.19	\$ 14,526.26	\$ 92.00	\$ 23,368.00	\$ 74.60	\$ 18,947.13
40	SP23	Stormwater Stand-pipe Assembly	LS	1	\$ 3,000.00	\$ 3,000.00	\$ 11,193.78	\$ 11,193.78	\$ 20,000.00	\$ 20,000.00	\$ 15,596.89	\$ 15,596.89
41	City	4" Gate Valve with Stem Riser and Box	EA	1	\$ 1,800.00	\$ 1,800.00	\$ 6,899.02	\$ 6,899.02	\$ 3,000.00	\$ 3,000.00	\$ 4,949.51	\$ 4,949.51
PROJECT NO. 202313 TOTAL BID AMOUNT						\$2,919,214.85		\$ 3,671,794.56		\$4,276,777.00		\$3,974,285.78
BID AMOUNT AS READ DURING BID OPENING								\$ 3,671,794.56		\$ 4,276,777.00		
DIFFERENCE FROM READ BID								\$ 0.00		\$ 0.00		
DIFFERENCE FROM LOWEST BID						\$ (752,579.71)		\$ -		\$ 604,982.44		
DIFFERENCE FROM LOWEST BID (%)						-26%		0%		16%		
DIFFERENCE FROM ENGINEER'S ESTIMATE						\$ -		\$ (752,579.71)		\$ (1,357,562.15)		
DIFFERENCE FROM ENGINEER'S ESTIMATE (%)								26%		47%		