

**BreeAnn Messer**

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**From:** Jessie Redfield  
**Sent:** Tuesday, December 27, 2022 11:32 AM  
**To:** BreeAnn Messer  
**Subject:** FW: Sidney Ph III Water\_Bid Results and Award Options  
**Attachments:** C1\_OVERVIEW\_SIDPH3\_20221223\_Award Options.pdf; SIDPH3\_Project Budget Options\_Post Bid.pdf  
  
**Importance:** High

**From:** Jordan Mayer <Jordan.Mayer@interstateeng.com>  
**Sent:** Friday, December 23, 2022 1:21 PM  
**To:** Jeff Hintz <publicworks@cityofsidneymt.com>; Jason Elletson <sidneyh2o@midrivers.com>; Jessie Redfield <clerktreasurer@cityofsidneymt.com>  
**Cc:** Spencer VanWichen <Spencer.VanWichen@interstateeng.com>; S21-105\_Sidney PH3 Water <Oedbe6d1.interstateeng.com@amer.teams.ms>  
**Subject:** FW: Sidney Ph III Water\_Bid Results and Award Options  
**Importance:** High

This sender is trusted.

**Jeff/Jason/Jessie—can you please review the email below along with the attachments and let me know if anything needs clarified or additional information needs to supplement the email? If none, can you please forward to the Water & Sewer Committee to review ahead of a meeting next week?**

All,

In preparation of the water & sewer committee meeting, please refer to the information below and the documents attached.

In the table below, is the summary of the Phase III Water Improvements Project that was bid on Thursday, December 15, 2022. COP Construction out of Billings, MT was the low bidder.

On Friday, December 23, 2022, Jeff, Jason and I met to go over the bids and discuss award strategy. Here's the background information with the recommendation from Jason, Jeff and I.

<i>Ph III Water System Improvements, Sidney, MT S2100105 (#8332697)</i> <i>Owner: City of Sidney</i> <i>Solicitor: Interstate Engineering - Sidney</i> <i>12/15/2022 02:00 PM MST</i>				
	<b>COP Construction LLC</b>	<b>Western Municipal</b>	<b>BEK Consulting, LLC</b>	<b>Strata Corporation</b>

		Construction, Inc		
Schedule I (Central Ave.)	\$1,378,324.00	\$1,294,483.70	\$1,844,024.50	\$1,644,368.00
Schedule II (Lincoln Ave. - A)	\$601,755.00	\$731,857.90	\$976,471.50	\$889,801.00
Schedule III (Lincoln Ave. - B)	\$570,843.00	\$685,538.50	\$886,978.00	\$823,887.00
Schedule IV (Peterson Park Crossing)	\$297,347.00	\$358,437.20	\$414,796.50	\$424,426.00
Schedule V (Veteran's Park)	\$195,475.00	\$236,064.00	\$287,975.00	\$289,270.00
Schedule VI (Crestwood)	\$162,909.00	\$214,333.50	\$254,388.50	\$251,694.00
Schedule VII (Lead Service Replacements)	\$69,765.00	\$110,877.00	\$112,150.00	\$204,200.00
<b>Total Schedules I - III</b>	<b>\$2,550,922.00</b>	<b>\$2,711,880.10</b>	<b>\$3,707,474.00</b>	<b>\$3,358,056.00</b>
<b>Total Schedules I - IV</b>	<b>\$2,848,269.00</b>	<b>\$3,070,317.30</b>	<b>\$4,122,270.50</b>	<b>\$3,782,482.00</b>
<b>Total Schedules I - V</b>	<b>\$3,043,744.00</b>	<b>\$3,306,381.30</b>	<b>\$4,410,245.50</b>	<b>\$4,071,752.00</b>
<b>Total Schedules I - VI</b>	<b>\$3,206,653.00</b>	<b>\$3,520,714.80</b>	<b>\$4,664,634.00</b>	<b>\$4,323,446.00</b>
<b>Total All Schedules</b>	<b>\$3,276,418.00</b>	<b>\$3,631,591.80</b>	<b>\$4,776,784.00</b>	<b>\$4,527,646.00</b>

Unfortunately, the current funding package is short to pay for Schedules I-III, which has been the plan to complete at a minimum, let alone the entire project. The current funding package is shown in the table below, which includes project administration, design & construction engineering, construction, and contingency. The breakdown of the original funding package is attached as Original.

Funding Source	Amount
ARPA – Competitive Grant	\$1,462,300
SRF Loan	\$1,132,000
Carry over SRF Loan	\$204,500
City of Sidney	\$125,800
<b>Total</b>	<b>\$2,924,600</b>

To award Schedules I-III, which we believe is the minimum amount to award, the funding package would have to be modified as shown below. The OTHER amount can either come from increasing the SRF loan (I'll discuss down below) or come from the water reserve account. Please refer to the Overview Map showing Schedules I-III (green). This is Option 1. The breakdown of this funding package is attached as Option 1.

Funding Source: Option 1	Amount
ARPA – Competitive Grant	\$1,462,300
SRF Loan	\$1,132,000
Carry over SRF Loan	\$204,500
City of Sidney	\$125,800
<b>OTHER</b>	<b>\$349,922</b>

<b>Total</b>	<b>\$3,274,522</b>
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To award Schedules I-VI, which is the recommended amount to award, the funding package would have to be modified as shown below. The additional amount would come from increasing the SRF loan. Please refer to the Overview Map showing Schedules I-VI (green + blue). This is Option 2. The breakdown of this funding package is attached as Option 2.

<b>Funding Source: Option 2</b>	<b>Amount</b>
ARPA – Competitive Grant	\$1,462,300
SRF Loan	\$1,132,000
Carry over SRF Loan	\$204,500
City of Sidney	\$125,800
<b>Additional SRF Loan</b>	<b>\$1,045,653</b>
<b>Total</b>	<b>\$3,970,253</b>

Discussions have been had with SRF about what increasing the planned SRF loan would do to the City’s existing water rates. As a reminder, the City of Sidney moved forward with raising rates to cover the planned \$1,132,000 loan in January 2022.

Current calculations from SRF indicate the City of Sidney can take an additional \$9,000,000 loan without having to increase water rates. So kudos to the City and personnel for managing the water department! As a result, the City has the ability to Award Schedules I-VI by increasing the original SRF loan amount of \$1,132,000 an additional \$1,045,653 for a total of \$2,177,653. This would allow the City of Sidney to take an additional \$8,000,000 loan in the future without having to increase water rates, should needs arise.

You may also notice that we are not recommending awarding Schedule VII. This schedule is to replace 4 lead service lines near the Water Tower in their entirety from the water main into the house. The State of MT is working through a program that would help pay for this project and all the details have not been finalized yet. The State of MT is aware of Sidney’s intention to replace the 4 lead service lines and Interstate Engineering will work directly with the State, City and a local contractor to complete Schedule VII. The intent is to limit the amount the City of Sidney has to pay for Schedule VII. The maximum is a 51% cost share but the last conversation with the State indicated the City’s share could decrease. That portion of the City’s responsibility could be paid out of the SRF loan (contingency) or out of water reserves.

Should the committee agree to Jeff, Jason and I’s recommendation the following would be the motion: Recommend the council Award Schedules I-VI to COP Construction, subject to funding agency approval, with an additional \$1,045,653 SRF loan. The total project budget is \$3,970,253.

Last reminder, if we move forward with awarding Schedule IV, this will come after the initial award via Change Order 1. Strategy is to award Schedule I, II, III, V, and VI to COP Construction and have the City’s attorney draft a site title accordingly. Jason, Jeff and I will work with O’Reilly’s, 1035 brewing, The Rush, and The Merge to finalize easements prior to awarding Change Order 1 (Schedule IV). These conversations will begin ASAP.

Happy Holidays everyone!

**Jordan Mayer, PE**

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