



January 9, 2012

Mr. Steve Gardner, Manager  
Larue County Water District #1  
6215 N. L and N Turnpike  
Buffalo, KY 42716

RECEIVED

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PUBLIC SERVICE  
COMMISSION

Reference:

Final Engineering Report  
2008 Water Line Extensions  
Contract 1, 2, and 3

Dear Mr. Gardner:

As you are aware, the above referenced project was bid on December 21, 2011. The low bidder for Contract 1 was Southern Backhoe, Inc. from Campbellsville, Kentucky with a bid of \$357,182.25. Contract 2 low bidder was Kentucky Glass Lined Tank Systems, Inc. from Lexington, Kentucky with a bid of \$361,954.00. Contract 3 low bidder was Caldwell Tanks, Inc. from Louisville, Kentucky with a bid of \$530,000.00.

For the purpose of this final engineering report Contract 4, White City Tank Rehabilitation is included. This contract was previously bid and completed due to needed emergency repairs. The tank had sprung a significant leak that was beyond temporary repair means. Contract 4 low bidder was Caldwell Tanks, Inc. The final project cost for the contract was \$88,519.00, which has been paid for with KIA Funds. The total of the four contracts is in excess of the project budget. Therefore the following plan is proposed to bring the project within budget.

Included within Contract 1 of this project was a connection to Campbellsville. Since the bid opening, permission for the Campbellsville Tie-in has been revoked by the present Mayor. Therefore the Campbellsville Tie-in including Hedgespesh Road will be removed from the project. This is estimated to result in a reduction of \$89,507.15, based on unit bid prices received. The reduction is reflected in the As Bid construction cost shown in the budget table.

Upon closer review of the bids received and discussion with both tank contractors (Contracts 2 & 3) it was determined that telemetry prices were excessive. In addition, it was also determined that the fencing price was excessive on Contract 2. It also was determined that the control valve prices were excessive on Contract 3. Therefore telemetry will be removed from both Contracts 2 and 3. Fencing will be removed from Contract 2. The

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Control valve will be removed from contract 3. Deductions for Contract 2 total \$80,964.34. Deductions for Contract 3 total \$119,200.00.

Please find attached a copy of the bid tabulation for each contract and below a summary of the financing and budget for this project with the above mentioned items taken out. Additionally, an as-bid budget in KIA format is attached.

Project Budget	Pre-Bid Budget	White City Tank Contract 4	Current (As Bid) Contract 1, 2, 3
Legal and Administration	\$10,000.00		\$45,750.00
Land and Rights (Including Geo-tech)	\$40,000.00		\$35,510
Engineering (Including Planning)	\$175,000.00	\$18,819.00	\$200,629.94
Development	\$1,150,000.00	\$69,700.00	\$959,464.76
Contingencies	\$115,000.00		\$160,126.30
Interest	\$10,000.00		\$10,000.00
Total Project Cost	\$1,500,000.00	\$88,519.00	\$1,411,481.00
Total All Contracts	\$1,500,000.00	(Total Contract 1-4)	\$1,500,000.00

Project Financing	Final Budget
KIA Grant WX21123006	\$450,000.00
KIA Grant WX21123007	\$300,000.00
KIA Grant WX21123016	\$250,000.00
KIA Grant WX21179003	\$150,000.00
Rural Development Loan	\$245,000.00
Rural Development Grant	\$105,000.00
Total Project Cost	\$1,500,000.00

It appears that the project can be completed within the available funds by removing the items mentioned previously. The project contingencies (16.7%) should be sufficient in order for the Larue County Water District to have the telemetry, control valve and fencing installed separate and at a later date from the contracts. Telemetry, added back in later is estimated to be approximately \$85,000.00, the control valve and associated items \$10,000.00 and Fencing \$10,000.00. The remaining contingency after fence and telemetry installation would still be approximately 5.75%.

It should be noted, upon executing contract documents at pre-closing, all three contractors are expected to execute a deductive change order for the respective items to be taken out of the contracts. These items have been discussed with each contractor and each is aware of this.

Southern Backhoe, Inc., Kentucky Glass Lined Tank Systems, Inc., and Caldwell Tanks, Inc. all have excellent reputations and should be capable of completing this project. Therefore, based on the budget modifications and contractors' reputations, we recommend the contracts be approved and allowed to go forward.

If anyone has questions or comments, please do not hesitate to contact our office.

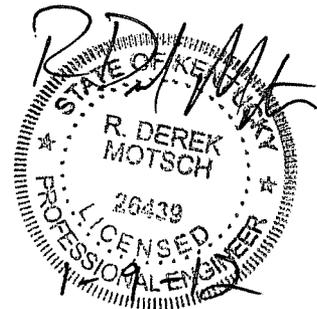
Sincerely,  
CANN-TECH, LLC



R. Derek Motsch, P.E.  
Project Engineer

Enclosures

CC: John Covington, KIA  
Linda Lockett, Rural Development  
Damon Talley, Local Attorney  
Southern Backhoe, Inc  
Kentucky Glass Lined Tank Systems, Inc.  
Caldwell Tanks, Inc.  
All Bidding Contractors (Bid Tabulation Only)

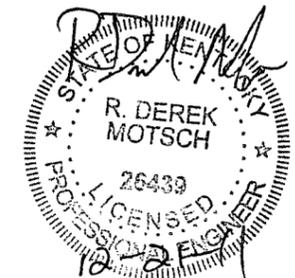


**BID TABULATION**  
**Larue County Water District #1**  
**2008 Water Line Extension**  
**Contract 1**  
**12/21/2011**

We certify that, to the best of our knowledge, the bid tabulation is an accurate representation of the bids received on December 21, 2011

NO.	ITEM	QUANT.	UNIT	Southern Backhoe		Cleary Construction		Garry W Clifford		Salmon Construction		United Pipeline		Cumberland Pipeline		Jeff Robards		Phillips Bros Construction	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	6-Inch PVC, SDR-21 Class 200-psi	12.622	LF	7.75	\$97,820.50	7.50	\$94,665.00	7.21	\$91,004.62	8.14	\$102,743.08	10.00	\$126,220.00	7.60	\$95,927.20	14.95	\$188,698.90	20.22	\$255,216.84
2	4-Inch PVC, SDR-21 Class 200-psi	24.555	LF	4.90	\$120,319.50	4.90	\$120,319.50	5.34	\$131,123.70	6.05	\$148,557.75	6.00	\$147,330.00	5.90	\$144,874.50	13.25	\$325,353.75	15.96	\$391,897.80
3	3-Inch PVC, SDR-21 Class 200-psi	8.151	LF	4.75	\$38,717.25	3.50	\$28,528.50	4.71	\$38,391.21	5.51	\$44,912.01	5.00	\$40,755.00	5.75	\$46,868.25	8.63	\$70,343.13	13.83	\$112,728.33
4	10-Inch Steel Casing Road Bore	195	LF	90.00	\$17,550.00	83.00	\$16,185.00	70.00	\$13,650.00	59.10	\$11,524.50	90.00	\$17,550.00	90.00	\$17,550.00	74.75	\$14,576.25	178.63	\$34,832.85
5	8-Inch Steel Casing Road Bore	195	LF	75.00	\$14,625.00	80.00	\$15,600.00	68.00	\$13,260.00	56.70	\$11,056.50	77.00	\$15,015.00	78.00	\$15,210.00	76.75	\$14,966.25	185.51	\$36,174.45
6	8" Open Cut	50	LF	50.00	\$2,500.00	41.00	\$2,050.00	50.00	\$2,500.00	60.00	\$3,000.00	67.00	\$3,350.00	43.00	\$2,150.00	59.00	\$2,950.00	56.18	\$2,809.00
7	Creek Crossing Directional Bore	200	LF	70.00	\$14,000.00	62.00	\$12,400.00	82.00	\$16,400.00	80.58	\$16,116.00	100.00	\$20,000.00	80.00	\$16,000.00	150.00	\$30,000.00	246.62	\$49,324.00
8	6-Inch Gate Valve	1	EA.	750.00	\$750.00	692.00	\$692.00	700.00	\$700.00	600.00	\$600.00	1,200.00	\$1,200.00	850.00	\$850.00	800.00	\$800.00	1,060.75	\$1,060.75
9	4-Inch Gate Valve	7	EA.	650.00	\$4,550.00	568.00	\$3,976.00	550.00	\$3,850.00	481.00	\$3,367.00	800.00	\$5,600.00	750.00	\$5,250.00	675.00	\$4,725.00	928.37	\$6,498.59
10	3-Inch Gate Valve	2	EA.	550.00	\$1,100.00	520.00	\$1,040.00	500.00	\$1,000.00	438.00	\$876.00	635.00	\$1,270.00	700.00	\$1,400.00	625.00	\$1,250.00	869.12	\$1,738.24
11	6-Inch Blowoff Assembly	4	EA.	1,200.00	\$4,800.00	1,191.00	\$4,764.00	1,000.00	\$4,000.00	900.00	\$3,600.00	1,200.00	\$4,800.00	3,400.00	\$13,600.00	1,575.00	\$6,300.00	2,018.58	\$8,074.32
12	4-Inch Blowoff Assembly	5	EA.	850.00	\$4,250.00	907.00	\$4,535.00	800.00	\$4,000.00	645.00	\$3,225.00	900.00	\$4,500.00	2,850.00	\$14,250.00	1,225.00	\$6,125.00	1,109.87	\$5,549.35
13	3-Inch Blowoff Assembly	5	EA.	800.00	\$4,000.00	830.00	\$4,150.00	750.00	\$3,750.00	573.00	\$2,865.00	815.00	\$4,075.00	1,150.00	\$5,750.00	1,165.00	\$5,825.00	1,098.66	\$5,493.30
14	Gravel Replacement	600	LF	6.00	\$3,600.00	6.50	\$3,900.00	10.00	\$6,000.00	15.00	\$9,000.00	17.00	\$10,200.00	7.00	\$4,200.00	8.75	\$5,250.00	14.62	\$8,772.00
15	Customer Connection Same Side	10	EA.	200.00	\$2,000.00	333.00	\$3,330.00	300.00	\$3,000.00	325.00	\$3,250.00	300.00	\$3,000.00	400.00	\$4,000.00	500.00	\$5,000.00	602.85	\$6,028.50
16	Customer Connection Opposite Side	10	EA.	450.00	\$4,500.00	500.00	\$5,000.00	600.00	\$6,000.00	400.00	\$4,000.00	600.00	\$6,000.00	600.00	\$6,000.00	600.00	\$6,000.00	947.34	\$9,473.40
17	Additional Service Tubing	200	LF	3.00	\$600.00	5.80	\$1,160.00	6.00	\$1,200.00	1.50	\$300.00	3.00	\$600.00	7.00	\$1,400.00	7.50	\$1,500.00	5.09	\$1,018.00
18	Connection to Existing Main Line	23	EA.	800.00	\$18,400.00	1,388.00	\$31,924.00	1,000.00	\$23,000.00	1,086.00	\$24,978.00	900.00	\$20,700.00	1,500.00	\$34,500.00	862.00	\$19,826.00	1,820.50	\$41,871.50
19	Meter Abandonment	5	EA.	100.00	\$500.00	222.00	\$1,110.00	200.00	\$1,000.00	150.00	\$750.00	200.00	\$1,000.00	250.00	\$1,250.00	200.00	\$1,000.00	207.44	\$1,037.20
20	Relocate Existing Meter	4	EA.	150.00	\$600.00	707.00	\$2,828.00	500.00	\$2,000.00	587.00	\$2,348.00	365.00	\$1,460.00	600.00	\$2,400.00	700.00	\$2,800.00	1,377.95	\$5,511.80
21	Automatic Air Release Valve	4	EA.	500.00	\$2,000.00	1,015.00	\$4,060.00	900.00	\$3,600.00	875.00	\$3,500.00	600.00	\$2,400.00	900.00	\$3,600.00	875.00	\$3,500.00	507.17	\$2,028.68
Total Construction Cost					\$357,182.25		\$362,217.00		\$369,429.53		\$400,568.84		\$437,025.00		\$437,029.95		\$716,789.28		\$987,138.90

DENOTES MATHEMATICAL ERROR



**BID TABULATION**  
**Larue County Water District #1**  
**2008 Water Line Extension**  
**Contract 3 - Atilla Tank**  
**12/21/2011**

We certify that, to the best of our knowledge, the bid tabulation is an accurate representation of the bids received on December 21, 2011.

NO.	ITEM	QUANT.	UNIT	Caldwell Tank		Phoenix Fabricator	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	50,000 Gallon Elevated Storage Tank	1	LS	530,000.00	\$530,000.00	773,303.00	\$773,303.00
Total Construction Cost					\$530,000.00		\$773,303.00



**BID TABULATION**

**Larue County Water District #1  
2008 Water Line Extension  
Contract 2 - Howardstown Tank  
12/21/2011**

We certify that, to the best of our knowledge, the bid tabulation is an accurate representation of the bids received on December 21, 2011.

NO.	ITEM	QUANT.	UNIT	Kentuck Glass Lined Tank		Caldwell Tank	
				UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	50,000 Gallon Ground Storage Tank	1	LS	361,954.00	\$361,954.00	432,800.00	\$432,800.00
Total Construction Cost					\$361,954.00		\$432,800.00

