

MEMO
(Via U.S. Mail)

RECEIVED

MAR 28 2005

PUBLIC SERVICE
COMMISSION

TO: Beth O'Donnell, Executive Director
KY Public Service Commission
P.O. Box 615
Frankfort, KY 40602

FROM: James R. Riney, PE, PS
Project Engineer
(jrriney@bellsouth.net)



DATE: 25 March 2005

RE: Southeast Daviess County Water District
Philpot Pump Station
PSC Case No. 2004-00495
KIA No. WX21059008
SAI No. KY20031008-1512

Enclosed are a bid tabulation sheet and an Engineer's Recommendation for bid award regarding the above captioned project.

Inasmuch as the total construction cost is approximately \$72,190 in excess of the originally anticipated costs the District hereby requests your consideration and approval of one of the two following surcharge modification options:

OPTION 'A' – *Extend the surcharge for an additional nine (9) months.*

Average monthly surcharge income -
 $\$201,780 \div 24 \text{ mo.} =$ $\$8,407.50/\text{mo.}$

$\$72,190/\text{mo.} \div \$8,407.50 =$ 8.58 months

Use nine (9) months additional surcharge period. The final month(s) will be monitored by the District and the "rate per 1,000 gallons" adjusted to conform to the PSC-approved surcharge conditions (not to exceed \$0.19/1,000 gal. nor 33 months).

OPTION 'B' – Increase the surcharge rate to \$0.26/1,000 gallons

$$\$72,190 \div (531,000,000 \text{ gal/yr.}) \times (2 \text{ yr.}) = \$0.068/1,000 \text{ gal.}$$

Use \$0.07/1,000 gal.

Original Surcharge Proposal (24-month proposal)	\$0.19/1,000 gal.
--	-------------------

Supplemental Surcharge Proposal	<u>\$0.06/1,000 gal.</u>
---------------------------------	--------------------------

Total Modified Surcharge Proposal (OPTION 'B')	\$0.26/1,000 gal.
---	-------------------

The final month(s) will be monitored by the Districts and the “rate per 1,000 gallons” adjusted to conform to the PSC-approved surcharge conditions (not to exceed \$0.26/1,000 gal. nor 24 months).

The project bid documents contained a maximum 90-day “hold period” to accommodate review and approval by the Public Service Commission. Due to the continuing escalation of PVC, steel, cement and wood product prices a prompt review and response is requested.

Unanticipated materials price increases is the primary reason for the difference between the project’s estimated costs and the actual bid totals.

Call or e-mail if you have questions.

Copy: Bill Higdon, District Manager

March 25, 2005

Bill Higdon
Southeast Daviess County Water District
3400 Bittel Road
Owensboro, KY 42301

RE: Philpot Pump Station Replacement,
Trunk Lines & Creek Crossing
Replacement
WX21059008

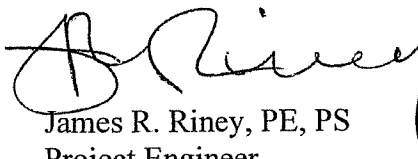
Dear Bill;

Attached for your review is the bid tabulation sheet for the above captioned project. We recommend the low bid submitted by Bobby Luttrell & Sons, LLC in the amount of \$388,490.00 as the lowest and best bid for the project.

Please notify us of the decision of the Southeast Daviess County Water District Board in order to move forward with the Notice of Award to the Contractor when appropriate. Pending acceptance by the Kentucky Public Service Commission and the KY Infrastructure Authority the bid will be awarded on the basis of bid unit prices in accordance with the contract documents.

Call if you have questions or need additional information.

Sincerely,



James R. Riney, PE, PS
Project Engineer

JRR:smm

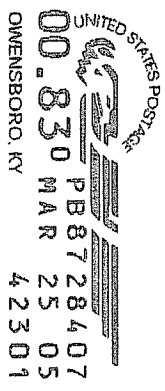
Attachment

Copy: Bobby Luttrell & Sons, LLC
John Covington, KIA
Thomas M. Dorman, PSC

SOUTHEAST DAVIESS COUNTY WATER DISTRICT
Philpot Pump Station Replacement, Trunk Lines & Creek Crossing Replacement

ITEM NO.	DESCRIPTION	QUAN	UNIT	Bobby Luttrell & Sons, LLC		Ernie Davis & Sons Mechanical		Gadcon, Inc.	
				UNIT PRICE	TOTAL ITEM AMOUNT	UNIT PRICE	TOTAL ITEM AMOUNT	UNIT PRICE	TOTAL ITEM AMOUNT
1	Clearing, grubbing & excavation		LS		\$2,000.00		\$3,900.00		\$16,000.00
2	Water Booster Pumping Station		LS		\$246,000.00		\$261,000.00		\$301,450.00
3	3/4" water service lines	300	l.f.	\$10.00	\$3,000.00	\$30.00	\$9,000.00	\$60.25	\$18,075.00
4	6"x6" D.I. Sleeved tie-in (12" long) with meg-a-lug fittings (@ creek crossing)	2	ea.	\$500.00	\$1,000.00	\$1,120.00	\$2,240.00	\$650.00	\$1,300.00
5	10"x10"x10" stainless steel tapping sleeve, valve & valve box	1	ea.	\$3,000.00	\$3,000.00	\$2,730.00	\$2,730.00	\$3,400.00	\$3,400.00
6	6" resilient seat gate valves & valve box assembly at creek crossing	2	ea.	\$500.00	\$1,000.00	\$520.00	\$1,040.00	\$475.00	\$950.00
7	10" resilient seat gate valves & valve box assembly	1	ea.	\$1,200.00	\$1,200.00	\$1,150.00	\$1,150.00	\$1,150.00	\$1,150.00
8	Fire hydrant/valve assembly	3	ea.	\$2,200.00	\$6,600.00	\$2,540.00	\$7,620.00	\$2,800.00	\$8,400.00
9	Tie into existing 10" line stub	1	ea.	\$750.00	\$750.00	\$490.00	\$490.00	\$500.00	\$500.00
10	6" HDPE (DR 9) directional bore water main replacement (creek)	400	l.f.	\$60.00	\$24,000.00	\$32.15	\$12,860.00	\$60.00	\$24,000.00
11	10" PVC water main	6,400	l.f.	\$14.60	\$93,440.00	\$16.15	\$103,360.00	\$20.50	\$131,200.00
12	Special ditch crossing protect.	75	l.f.	\$10.00	\$750.00	\$12.00	\$900.00	\$9.00	\$675.00
13	Leak detector assembly	1	ea.	\$750.00	\$750.00	\$600.00	\$600.00	\$2,950.00	\$2,950.00
14	Compacted DGA driveway mat.	100	tons	\$20.00	\$2,000.00	\$21.50	\$2,150.00	\$18.50	\$1,850.00
15	Shaping, fert., seed & mulch		LS		\$3,000.00		\$8,300.00		\$7,200.00
TOTAL BASE BID					\$388,490.00		\$417,340.00		\$519,100.00
ALTERNATE BID ITEM									
1	10" D.I.P. Water main (Cl. 50)	6,400	l.f.	\$26.50	\$169,600.00	\$24.35	\$155,840.00	\$28.55	\$182,720.00
BID OPENING DATE: Thurs. 3/24/05				ENGINEER'S ESTIMATE - \$318,915.00					
BID OPENING TIME: 2:00 p.m. CST				I hereby certify that the hereinabove bid summary information is true and accurate to the best of my knowledge and belief.					
ATTENDEES: Jerry Davis Jim Riney William Higdon Keith Krampe Blaine Luttrell Suzanne Murphy Al Quesinberry Mike Benallo				Ernie Davis & Sons HRG, PLLC SEDCWD SEDCWD Bobby Luttrell & Sons HRG, PLLC Gadcon, Inc. Utility Pipe Sales					
				 3/24/2005 James R. Riney, P.E.					

★ ★ ★
133
4502 #
0566
00 830
OWENSBORO, KY
PB8728407
MAR 25 05
42301



RECEIVED

MAR 28 2005

PUBLIC SERVICE
COMMISSION

PRC

