

August 18, 2022

Mr. Daniel Clifford
Hardin County Water District No. 1
Engineering Manager
1400 Rogersville Road
Radcliff, KY 40160

RE: Recommendation of Award
Hardin County Water District No. 1
Pirtle Springs WTP, Gray Lane PS, & Brizendine BS Improvements Project

Dear Mr. Clifford:

The referenced project was bid on August 16, 2022. One (1) construction company submitted a bid. A detailed Bid Tabulation is attached, and a summary of bids is as follows:

BIDDER	BID
Herrick Company, Inc.	\$ 2,157,500.00

The basis of award established in the bidding documents defines the winning bid as the lowest, responsive, base bid from a qualified bidder. As you are aware, the lowest bid was the only one for our project. We have examined the bid, and have completed our review of the bid documents, qualifications, and references and find them in order. A tabulation of the bid is attached for your use.

An Engineer's Opinion of Probable Construction Costs (EOPCC) was prepared at the preliminary design phase of the project and totaled \$787,000. While the apparent low bid of \$2,157,500 is greater than the EOPCC from preliminary design, it is our opinion that the bid amount is reasonable for the following reasons:

1. Since preliminary design, two years have passed, in which we have seen above-average inflation rates occur in this span.
2. Lead times and prices on equipment have followed suit and also increased significantly.
3. The construction of the entire project requires special knowledge from the contractors in order to finish in a timely manner.
4. Since the EOPCC was prepared, CCI has consistently noticed that publicly bid projects are coming in higher than estimates. It is our opinion this is occurring because the construction industry is busy and contractors are not having to fight for work (e.g., put in lower than needed bids).

The proposed project is to be funded with a loan from USDA Rural Development program. These loans require that after income and operation expenses the remaining funds provide a minimum coverage ratio of 1.1, therefore, we also evaluated if the proposed rate increase of 41.2% required by RD would be sufficient to meet the coverage ratio requirement. We estimate that the new yearly loan payment will be \$101,832/year. Using the same Summary Addendum spreadsheet previously approved by RD but inputting the new yearly principal and interest payment, we estimate that the proposed rate increase we provide a 2.35 coverage ratio, which is more than the minimum required by RD.

As a result of this investigation, our loan evaluation, and provided that the balance of the project funds are available for the project, and your Board concurs with our recommendations, please request that your Board take the following action:

Approve awarding and entering a contract with Herrick Co., Inc, from Lawrenceburg, KY, in the amount of \$ 2,157,500 for the construction of – Pirtle Springs WTP, Gray Lane PS, & Brizendine BS Improvements project.

Subject to the following conditions prior to entering into the Agreement:

- Concurrence in Award from Rural Development (RD)
- Approval of Award from Public Service Commission (PSC)

Should the full balance of project funds for the full bid amount not be available, then it is recommended that the above award still be made, but the contract amount be reduced to suitable amount via change order by removing a project area from contract. Best on our opinion of HCWD1’s greatest needs we would rank the projects in the following order of importance (with Filter No. 4 being the most important):

<u>Rank</u>	<u>Bid Form Item No.</u>	<u>Project Area</u>	<u>Lump Sum</u>	<u>Running Total</u>
1	3	Pirtle Spring W.T.P. Filter No. 4	\$441,000.00	\$441,000.00
2	2 & 6	Brizendine Booster Pump Station	\$695,500.00	\$1,136,500.00
3	4	Pirtle Springs W.T.P. Clarifier Steps	\$150,000.00	\$1,286,500.00
4	1 & 5	Gray Lane Raw Water Pump Station	\$871,000.00	\$2,157,500.00

The above order of project importance may be used as a guide to determine the final contract to be an amount that meets the project funds available.

Please advise us of the Board’s action and we will notify the bidder of the tentative award and will transmit the contract documents to them for execution and attachment of bonds and insurance.

If you have any questions, please do not hesitate to contact me at 865-670-8555 or egamble@cannon-cannon.com.

Sincerely,



Eric Gamble, P.E.
Project Manager & Engineer-Of-Record

Enclosed: Bid Tabulations for referenced project (dated 08/17/2022).

Project Name: Pirtle Springs WTP, Gray Lane PS, & Brizendine BS Improvements

Bid Opening Date: August 16, 2022

Client: Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160

Bids Received: 1

Bids Tabulated: August 17, 2022

Item No. and Description	Unit	Quantity	Herrick Co., Inc.	
			Unit Price	Total
1 Gray Lane Pump Station; inclusive of: furnishing all products, materials and equipment; and performing all labor necessary to complete and put into operation Gray Lane Pump Station, including all work shown or described in the Drawings and/or specifications.	LS	1	\$864,000.00	\$864,000.00
2 Brizendine Booster Pump Station; inclusive of: furnishing all products, materials and equipment; and performing all labor necessary to complete and put into operation Brizendine Booster Pump Station, including all work shown or described in the Drawings and/or specifications.	LS	1	\$690,500.00	\$690,500.00
3 Pirtle Spring Water Treatment Plant – Filter No. 4; inclusive of: furnishing all products, materials and equipment; and performing all labor necessary to complete and put into operation Pirtle Spring Water Treatment Plant – Filter No. 4, including all work shown or described in the Drawings and/or specifications.	LS	1	\$441,000.00	\$441,000.00
4 Pirtle Spring Water Treatment Plant – Clarifier Steps; inclusive of: furnishing all products, materials and equipment; and performing all labor necessary to complete and put into operation Pirtle Spring Water Treatment Plant – Clarifier Steps including all work shown or described in the Drawings and/or specifications.	LS	1	\$150,000.00	\$150,000.00
5 Allowance: Upgraded electrical service to the Gray Lane Pump Station. Work to be performed by electric utility.	LS	1	\$7,000.00	\$7,000.00
6 Allowance: Upgraded electrical service to the Brizendine Booster Pump Station. Work to be performed by electric utility	LS	1	\$5,000.00	\$5,000.00
			Subtotal	\$2,157,500.00
TOTAL BID PRICE - Total Unit Price for Item Nos. 1 through 6				\$2,157,500.00
				LOW BID

To the best of my knowledge, I certify this Bid Tabulation correctly reflects the Bids opened on August 16, 2022, which includes corrections for mathematical errors.



Eric Gamble, P.E.

KY P.E. License # - 37039