



MEMORANDUM

DATE: January 20, 2011
TO: Ed Wilmes
FROM: George Schober and Ed Herlihy
CC: file 98036.07, Tom Valaitis, Lou Gallucci, Jason Holy
RE: **INTERSECTION AND ROADWAY IMPROVEMENT**
143RD STREET & LAGRANGE ROAD
Bid Review Summary

The bids of the two lowest bidders were thoroughly checked and no arithmetic errors were found in either bid. We have also reviewed the bids against the average of all bids received as well as the Engineers Opinion of Probable Construction Cost. A summary of the results of this review are below.

The following items are significantly outside of the average of the bids received.

1. 20200100 - EARTH EXCAVATION - The low bid unit price for this item is \$17.00/CY. The average of the bid received for this item is \$23.49/CY. The percentage difference is significant, and this item represents a difference of \$122,000 from average bid. The contractor likely has a local dump that will accept this material or plans to use it on an adjacent project.
2. 40603085 - HOT-MIX ASPHALT BINDER COURSE, IL-19.0, N70 – The low bid unit price is \$1.00/ton. The average of the bid received for this item is \$59.83/ton. This may have been an error in the bid. This item is required for temporary pavement widening in stage 1. The contract does allow the contractor to propose alternate staging plans. The low bid price for this item may reflect a staging strategy that the contractor will be proposing.
3. 66900205 - SPECIAL WASTE DISPOSAL - The low bid unit price for this item is \$40.75/CY. The average of the bid received for this item is \$66.79/CY. While the percentage difference from the average bid price is significant (39%), the difference from the second low bidder is less than 10%. The contract specifications for this work are significantly detailed in the bid documents and referenced IDOT specifications.
4. 44000100 - PAVEMENT REMOVAL – the low bid unit price for this item is \$10.00/SY. The average of the bid received for this item is \$13.33/SY. Although the percentage difference is not significant, this item represents a difference of \$39,000 from the next lowest bid and \$131,000 from average bid. The contractor likely is planning to crush the existing pavement either on grade or at one of the designated staging areas described in the bid documents. This material will likely be recycled and used for the new 12" aggregate subgrade.
5. Z0001050 - AGGREGATE SUBGRADE, 12" - the low bid unit price for this item is \$7.00/SY. The average of the bid received for this item is \$11.00/SY. The percentage difference for this item is significant. This item represents a difference of \$72,000 from the next lowest bid and \$192,000 from average bid. The contractor is likely planning to use recycled material from the pavement crushing operation for this item.

Although the above items appear to represent some variance from a norm or average price, we have reviewed each item and do not believe that any of these items will cause an increase cost liability to the Village. As such, these variances do not merit rejection of the low bid.

We have also reviewed the Alternates for the project and have the following comments:

6. Alternate #1 – Clay Brick Pavers vs. Precast Concrete Pavers – Acceptance of this alternative represents a cost savings to the village for equal or superior product. We recommend acceptance of this alternate.
7. Alternate #2 – Pedestrian Pole Substitution - Acceptance of this alternative represents a cost increase to the village for a similar product. We do not recommend acceptance of this alternate.
8. Alternate #3 – Additional Masonry Columns - Pay item unit prices for this alternative bid differ from the unit prices in the base bid.

	<u>Alt 3</u>	<u>Base Bid</u>
Masonry Wall	\$80	\$90.16
Precast Concrete Caps	\$660	\$625.00
Precast Concrete Ledge	\$36	\$30

The net cost differential is not significant. The unit prices bid for alternate 3 are within industry standards for this type of work. V3 recommends the village accept this alternate.

Alternate 4 - Masonry Wall Substitution with Segmental Block - We do not recommend the acceptance of this alternative because the cast in place masonry walls included in the base bid are within the amount budgeted for the project.

9. Alternate 5 – Additional Ornamental Fence - Pay item unit prices for this alternative bid differ from the unit prices in the base bid

	<u>Alt 5</u>	<u>Base Bid</u>
Ornamental fence 4'	\$40.25	\$39.54

The total cost differential is not significant. The unit prices bid for alternate 3 are within industry standards for this type of work. V3 recommends acceptance of this alternate.

10. Alternative #6 – Structural Soil for Tree Wells - There are some minor discrepancies in the bid prices for this alternate versus the prices in the base bid. However the differences are minor and benefit the village. The addition of this alternate to the base bid will be within the amount budgeted. Therefore V3 recommends acceptance of this alternate.

In summary we recommend acceptance of Alternates 1, 3, 5 and 6.

End of Memorandum