

December 5, 2016

Scott Fogleman
Town Manager
Town of Blowing Rock
Post Office Box 47
Blowing Rock, North Carolina 28605

Re: Award Recommendation
Water Plant Capital Facility
Chemical Feed Repairs
Blowing Rock, North Carolina

Dear Mr. Fogleman:

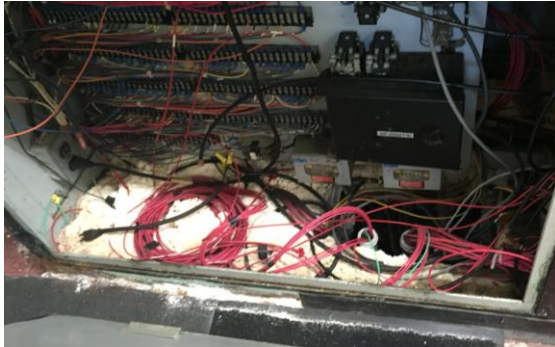
The Town's water treatment plant is in need of repairs to its chemical feed systems. These repairs generally consist of replacement of the existing alum and caustic day tanks and chemical feed pumps. Along with these items, repairs will be made to damaged concrete and a containment area will be constructed around the day tanks, pumps, and related piping. The final item included in the project is cleanup of residual chemicals in, around, and under the existing tank area.

A bid notice was posted on the McGill website, along with direct solicitations to four (4) area contractors that regularly perform this type of work. On Thursday, November 17, 2016, three (3) bids were received for the project. The following is a summary of the total lump sum bids received for the work:

- Greene Construction, Inc. \$71,213.00
- Gilbert Engineering Company \$119,000.00
- Brushy Mountain Builders, Inc. \$169,952.00

The improvements included in this project, as outlined above, were identified based on state inspections and degradation of equipment and materials. Therefore, no official evaluations or cost estimates had been prepared prior to development of a bid package. However, a generic budget of \$60,000 was proposed to accomplish this work. As discovery advanced identifying the items needing repair, additional scope was added to the project, most notably the extent of the chemical residue to be removed from inside adjacent electrical/control panels (as shown in the following photo). We believe that these items contributed to the wide variations in bids received for the work.





Greene Construction, Inc. has successfully performed work on other projects for the Town of Blowing Rock and McGill Associates in the past. They are appropriately licensed with the North Carolina General Contractor Board and are capable of performing the work associated with this project. Therefore, we recommend that the Town of Blowing Rock award the Water Plant Capital Facility Chemical Feed Repairs project to Greene Construction, Inc. in the amount of \$71,213.00, along with \$5,000 for contingency and \$10,000 for engineering services, bringing the total budget to \$86,213.00, to be funded with an appropriation from fund balance within the utility fund.

The project bid included a contract time of 90 days for substantial completion, to allow the contractor to prepare material shop drawing submittals, ordering materials, and scheduling crews. Following award, we anticipate the remainder of December used for executing contracts and scheduling the preconstruction meeting. Consequently, the contract time would likely start on or about January 9, with a completion time of April 9, 2017. The actual work should only last approximately 5-6 weeks of that time.

Staff recommends funding this work with an appropriation of \$86,213.00 from fund balance within the utility fund. Following this transfer, the fund balance within the utility fund would be approximately \$286,000 above the targeted fund balance goal of 100% of annual operating expenditures and debt service.

If you have any questions regarding this letter of recommendation, please do not hesitate to contact us. We look forward to working with you and the Town through the construction phase of this important project.

Sincerely,
McGILL ASSOCIATES, P.A.

DOUGLAS G, CHAPMAN, P.E.
Senior Project Manager