

August 29, 2022

Joe Schroeder, PE  
City of Mitchell  
612 N. Main Street  
Mitchell, SD 57301

RE: Pump Station and Ground Storage Reservoir Bid Recommendation

Dear Joe,

Two bids were received for the above referenced project on August 24, 2022. The bids have been reviewed for completeness and accuracy. The apparent low bidder for the lump sum project, which is fully constructing the pump station and ground storage reservoir, was Stanek Constructors Inc. of Golden, CO in the amount of \$11,518,800.00. The Engineers estimate for the project was \$11,380,000.00 and the two bids ranged from 11,518,800.00 to \$12,969,000.00.

The current estimated cost for the entire project is \$16,414,000.00 which includes a \$653,000.00 construction contingency. This includes this pump station and ground storage reservoir project plus the watermain distribution project which will bid later this year and is estimated to cost \$2,393,000.00. The entire project cost also includes \$1,927,000.00 in land acquisition costs, professional design and construction administration fees, and administrative and legal fees. The City has budgeted \$16,000,000.00 for the project. If bids received for the watermain distribution project are at the estimated cost, the total project would be \$15,838,800.00, which results in the total project \$161,200.00 below the City's budget. However, this amount does not include the \$653,000.00 construction contingency.

We have contacted Stanek Constructors, Inc. to confirm price and the ability to complete the work. They are confident in their bid, their ability to meet the specified time provisions, and have experience completing similar projects.

It is recommended the Lump Sum Bid from Stanek Constructors, Inc. of Golden, CO be accepted in the amount of \$11,518,800.00.

If you have any questions or need further information, please let me know.

Sincerely,



Phil Gundvaldson, PE  
Project Manager