



April 11, 2013

Mrs. Sally Oglesby, City Clerk
City of Crossville
Crossville, TN 38555

Project: Runway Lighting
Crossville Memorial Airport
ATKINS Project No. 100031894

Subject: Recommendation for Award of Construction

Dear Mrs. Oglesby:

As you are aware, sealed bids were received and read on March 28, 2013 at 2:30pm CDT in the Conference Room at City Hall for the above referenced project. Two bid packages were received for this project. Below are the results:

<u>Contractor</u>	<u>Base Bid</u>	<u>Add-Alternate #1</u>	<u>Total Bid Amount</u>
Freitag Construction	\$246,745.00	\$24,755.00	\$271,500.00
Stansell Electric	\$769,370.00	\$70,200.00	\$839,570.00
Engineer's Estimate	\$452,000.00	\$40,000.00	\$492,000.00

We have tabulated the bids and have found no discrepancies. The tabulated bids reflect the actual bid amount.

Upon reviewing bid results, Freitag Construction's bid was approximately 45% below the Engineer's estimate. From our analysis, we have found this to be in large part to the proposed unit price for an item to include trenching and installing new conduit, to include all soil conditions. Since this item is subject to actual site conditions, we feel this item may be accomplished at the unit price Freitag Construction has provided but if extensive rock is encountered, additional labor may be required by the Contractor. The Contractor will be held to his quoted price for this item, and no additional project funds will be granted to the contractor as the line item clearly states that trenching will include all soil, rock, etc. All contractors were encouraged to do their own site investigations to determine site conditions, and Skip Freitag indicated he fully understood the method of measurement and stands by his quoted price. Other unit prices averaged about 30% below the Engineer's estimate across the board, and upon review we find that these are responsive but pricing is quite aggressive. We have discussed the project with Skip Freitag and feel that he fully understands the scope of the project, and he stands by his quoted bid price and feels he can complete the project within the allotted contract time. As such we find the bid prices to be responsive.

When we back-checked previous projects that Freitag Construction has completed, the one comment that stood out was that it will be necessary to have an inspector on site at all times with the Contractor. We have also talked to the electrical subcontractor, Cherry Creek Electric, about the nature of the work they will be responsible for on this project, as well as back-checked previous airport work they have completed. Upon doing this, we are of the opinion that they are capable of successfully completing their portion of the project.

It should be noted however, that with aggressively priced bids of this nature, that Contractors often allow for very little leeway to adapt to actual site conditions if they vary from ideal conditions and will be quick to seek additional project funds and time to complete work items. This is especially indicative of past experience that the City of Crossville has with Freitag Construction on previous projects. If the City and TDOT Aeronautics understand these

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risks and assuming all other legal and bonding requirements are met, we recommend this project be awarded to Freitag Construction in the amount of \$271,500.00.

If you should have any question, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Jeff Reilly". The signature is written in a cursive style with a large, sweeping "J" and "R".

Jeff Reilly, P.E., PMP
Project Manager
Enclosures