

March 27, 2006

Michael McGovern, Town Manager
Town of Cape Elizabeth
320 Ocean House Road
P.O. Box 6260
Cape Elizabeth, Maine 04107

SUBJECT: Sanitary Sewer Rehabilitation Project
Bid Summary and Engineer's Recommendation

Dear Mike:

On March 16, 2006, the Town of Cape Elizabeth accepted construction bids for three separate construction projects associated with the subject project. The three construction projects were developed by regions. The Northern Cape Region (also referred to as Group A) consisted of work on several streets in the north shore area. The Central Region (Group B) consisted of work in the entire Elizabeth Park neighborhood, two streets in the Brentwood neighborhood, and the new Tall Pine East pump station and related appurtenances near Route 77. The Southern Region (Group C) consisted of work on Winding Way, Running Tide Road, and Masefield Terrace.

Four area contractors participated in submitting bids and the bid results are attached. The low bidders for each region included Gorham Sand & Gravel for the Northern and Southern regions and Dearborn Brothers Construction for the Central Region. The results of the Central Region at \$2,325,401.00 and the Southern Region at \$1,292,027.95 appear realistic and are consistent with earlier projections. It should be noted that the Central Region bid will be reduced by approximately \$300,000 due to the contributions that the Portland Water District (PWD) will be making to cover the costs of water main system improvements that are included as part of the Central Region's project scope.

The bid result of the Northern Region at \$3,147,928.56 was not favorable, however, and is much greater in cost than what was expected. We believe that the Northern Region bids reflected negatively upon the packaging together of several streets in various locations, anticipated hardships in restricting ledge removal by non-explosive means, and bore out the undesirable production conditions associated with this region's scope in comparison to the other regions. The fact that only two of the four contractors submitted bids for this region proves that the project was not as desirable as the others which also contributed to the very expensive bid results for the Northern Region scope of work.

Based on the results of this bid process and our conversations with the Public Works Director, Bob Malley, we recommend that the Town consider acceptance of the Central Region and Southern Region bids and rejection of the Northern Region bid. Further, we believe that consideration should be given in breaking down the scope of the Northern Region into smaller increments to get better pricing from contractors. To further encourage better pricing, we also believe that controlled blasting with explosives should be written into the job specifications so that contractors will have a more economical procedure within which to complete their work. In breaking the Northern Region into incremental work scopes, these more manageable projects will be more attractive to perspective bidders and smaller contractor

firms will also be able to bid the work. This approach should lead to more competitive bidding results and more economical completion of the proposed improvements for the Town.

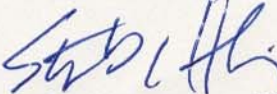
Judging by the priorities of the previous study and the knowledge gained during the design development process, we recommend that the Town consider re-bidding the Bay View Road and Ocean View Road portion of the Northern Region immediately. We also recommend that the Town go forward with the bidding and implementation of the slip lining work that was scheduled to be conducted primarily in the Brentwood neighborhood. Once the bulk of the work has been completed by mid-summer of 2006, the Town should review the status of the completed work and decide whether to go forward with other smaller increments of the original Northern Region scope for completion in the fall of 2006 or during the construction season of 2007.

The following is a breakdown of costs that can be expected for the work recommended in relation to the acceptance and construction of the Central and Southern Regions along with the engineering and testing costs associated with those regions. The estimate below includes bidding, construction administration, testing, and inspection costs associated with the slip lining work and the reduced scope of the Northern Region, but does not include the actual construction cost of the slip lining work to be conducted in the Central Region or the Northern Region work. Based on the information presented below, there is approximately \$1.3 million remaining of the original \$5.4 million budget for this project.

Central Region Construction Cost (net after PWD cost)	\$2,047,540.	
Southern Region Construction Cost	<u>\$1,292,030</u>	
Total Construction Cost Subtotal		\$3,339,570.
5% Construction Contingency		\$167,000.
Surveying, Design, and Construction Administration and Inspection		\$612,370.
Town Administrative/Issuance Cost		\$15,000.
Testing Services		<u>\$4,800.</u>
Total Anticipated Cost		\$4,138,740.

We believe that by taking the approach recommended in this letter that the Town can achieve a great deal of the overall envisioned scope of the project and address the prioritized issues of the sewer rehabilitation program. Should there be any questions or comments regarding this information, please do not hesitate to contact us.

Sincerely,
OEST Associates, Inc.


Stephen D. Harding, P.E.
Town Engineer

SDH:lap
Enclosure

cc: Bob Malley, Public Works Director
Harvey Oest, OEST Associates, Inc.
Todd Gammon, OEST Associates, Inc.
Fred Morin, OEST Associates, Inc.