



## STAFF REPORT

**TO:** Mayor Keis and Members of the City Council

**FROM:** Eric Seaburg, P.E., City Engineer  
Bill Dircks, Public Works Director

**DATE:** June 8, 2022

**RE:** Little Canada – 2022 Sewer Rehabilitation Project

**ACTION TO BE CONSIDERED:**

Motion to award the Little Canada 2022 Sanitary Sewer Rehabilitation Project to Hydro-Klean, LLC in the amount of \$233,473.72

**BACKGROUND:**

In 2020 the City adopted a program to start rehabilitating its public sanitary sewer system by utilizing cured-in-place-pipe (CIPP) liners as a means to restore the structural integrity of the existing clay sewer pipe system as well as to reduce inflow and infiltration of groundwater into the public sewer system. The first project of this kind was completed in 2020 by Hydro-Klean, LLC, with the second project in the program planned for 2022. To date, CIPP lining continues to be the most cost-effective pipe rehabilitation method for restoring the integrity of gravity sewers.

In order to facilitate these improvements, a \$200,000 budget has been allocated in the Capital Improvement Plan (CIP) to complete these repairs in 2022 and funds are budgeted each year as a placeholder. In addition to this budget amount, the City has applied for and been awarded an additional \$53,570.00 from the Metropolitan Council Environmental Services (MCES) Municipal Inflow & Infiltration Grant Program. The total funding allocated for this project is currently \$253,570.00.

Bids were opened for the 2022 Sanitary Sewer Rehabilitation Project on June 1, 2022 following a three week advertisement. The City received five (5) bids to complete this work. The following bid abstract identifies the range of bids for the Base Bids and the Alternate Bids received on the project.

#	Bidders	Base Bid	Alternative Bid	Bid Total
1	Hydro-Klean, LLC	\$155,666.32	\$77,807.40	\$233,473.72
2	Insituform Technologies USA, LLC	\$214,689.20	\$116,048.70	\$330,737.90
3	Veit & Company, Inc.	\$248,871.60	\$127,187.00	\$376,058.60
4	Visu-Sewer, Inc.	\$310,862.00	\$119,050.00	\$429,912.00
5	S.J. Louis Companies	\$301,009.00	\$155,660.00	\$456,669.00

The Base Bid consists of approximately 4,844 LF of 8” cured-in-place (CIPP) pipe rehabilitation along County Road B as well as along Lakeshore Avenue and Australian Avenue in Little Canada. The Alternate Bid adds 2,580 LF of 8” CIPP to the contract along McMenemy Street. These areas were televised in advance of the project and showed evidence of structural deficiencies and infiltration at many of the pipe joints, making these areas perfect candidates for a CIPP project. These three areas have been identified as three of the most susceptible areas in the City for inflow and infiltration along with root intrusion.

The table below shows the anticipated total project budget expectations compared to the Engineer’s Estimate, which was established prior to the bid opening. This table includes both the Base and Alternate Bids as well as the professional services contract previously awarded to Bolton & Menk to help administer the project.

	Engineer’s Estimate	Hydro-Klean Bid Price + Engineering
Base Bid	\$ 190,706.00	\$ 155,666.32
Alternative Bid	\$ 94,640.00	\$ 77,807.40
Engineering	\$ 32,265.00	\$ 32,265.00
<b>Total</b>	<b>\$ 317,611.00</b>	<b>\$ 265,738.72</b>

Although the total contract value is slightly higher than the budget allocated for this work (\$265,738.72 - \$253,570.00 = **\$12,168.72**) staff is recommending award of the Base and Alternative improvements to Hydro-Klean as part of this project. The prices the City received on this project are extremely competitive given the scope of work and current bidding environment we are seeing in the industry. In addition, if the work is not awarded and completed in 2022, the City will lose the grant funding allocated to them from MCES. Good bid prices coupled with an experienced contractor who has previously worked in Little Canada make award of this contract very desirable to the City in its mission to supply a reliable public utility system for its residents.

**SOURCE OF FUNDS:**

This project was identified in the 2022-2031 Capital Improvement Plan. The source of the funds will be from the Water and Sewer Capital Replacement Fund. The fund is healthy and can support the additional funding necessary to get a lot more sanitary sewer lining completed at a very good price.

**STAFF RECOMMENDATIONS:**

Staff recommends the City Council award the Base Bid and Alternate Bid in the amount of \$233,473.72 to Hydro-Klean, LLC. Bolton and Menk has extensive work experience with Hydro-Klean, LLC and believes that they are qualified to do the work and will complete the work in a quality manner within the constraints/guidelines of the project specifications.