



1202 Musser Street  
Muscatine, IA 52761-1645  
(563) 263-2752  
Fax (563) 263-3720

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**WATER & RESOURCE RECOVERY FACILITY**

**MEMORANDUM**

To: Gregg Mandsager, City Administrator

CC: Nancy Lueck, Finance Director  
Cinda Hilger, Secretary

From: Jon Koch, WRRF Director

Date: November 14, 2018

Re: Resolution for HSW Project Bid Rejection

**INTRODUCTION:** Staff has prepared a resolution for the rejection of all bids for the High Strength Waste Receiving Station Project (HSW Project). The bids have come in over budget by a significant amount. Staff has determined that cost reductions alone to current bids will not allow the project to move forward and requests approval of the resolution to reject all submitted bids.

**BACKGROUND:** The HSW Project has expanded due to anticipated volume increases and has put the cost over what was budgeted from reserves. It is not the desire of staff to use financing to fund this project at this time and all efforts are being made to reduce the cost to current approved budget levels. The approved budget was for \$3 million and the four bids opened on October 31<sup>st</sup> came in between \$4.3 million and \$5.1 million. The bids were reviewed by staff and Stanley Consultants and found to be valid. Staff and consultants are confident there is an alternative that will keep the project moving forward at budgeted levels.

**RECOMMENDATION/RATIONALE:** Staff recommends approval of the resolution to reject all four bids received October 31<sup>st</sup> for the HSW Project construction phase. There was not enough savings in value engineering or project scope reduction to justify continuing with the project at the costs proposed.

**BACKGROUND:**

1. Bid tab sheets

