



MEMORANDUM

DATE: July 2, 2024

TO: Andy Shively, P.E., Deputy Director
Kelly Postlewait, Interim Director

FROM: Madison Gibler, Smart Sewer Project Manager

SUBJECT: **Bid Recommendation**
Green Infrastructure Project 1-2: Paseo Gateway/KCU
Project No. 81000975
Contract No. Construction 1689 / Design 1650

Bids

Bids for the above referenced Project were received and opened on June 4, 2024, with two bidders responding. Bids were received from Gunter Construction Company and MegaKC Corporation. A summary of the Bid tab is provided below for reference.

Bidder	Base Bid with Allowances	Bid Alternate #1	Bid Alternate #2	Bid Alternate #3	Base Bid with Bid Alternates 1, 2, & 3	48-Hour CREO KC Paperwork
Gunter Construction Company	\$4,170,564.00	\$56,400.00	\$62,230.00	\$218,810.00	\$4,508,004.00	Submitted
MegaKC Corporation	\$4,018,387.00	\$47,000.00	\$41,650.00	\$149,100.00	\$4,256,137.00	Submitted
Engineer’s Opinion of Probable Construction Cost	\$3,960,247.10*	\$25,000.00	\$68,600.00	\$214,000.00*	\$4,268,647.10	Not Applicable

*Errors were identified in the Engineer’s Opinion of Probable Construction Cost. The table above includes corrections to the Base Bid with Allowances and Bid Alternate 3 values based on the unit prices.

Design Professional’s Recommendation

The Design Professional, McClure Engineering, evaluated bid documents, qualifications, and financial information for the two Bidders. After the evaluation, MegaKC Corporation was recommended by the Design Professional as the apparent lowest, responsible and responsive bidder. The Design Professional’s recommendation letter is attached for reference.

Bid Price

The Design Professional, Project Manager and OCP reviewed the Bid Form and the bid prices submitted by MegaKC Corporation. The City elects to proceed with the Base Bid plus Bid

Alternates 1, 2, and 3. The bid prices submitted are approximately \$12,510.10 lower than the Engineer's Opinion of Probable Construction Cost and approximately \$251,867 less than the next lowest bid received.

MBE/WBE Participation

CREO KC set the MBE/WBE goals for this project at 13% MBE and 13% WBE. MegaKC Corporation submitted 13% MBE and 13% WBE on their Contractor Utilization Plan. MegaKC Corporation has no written violations of any MBE/WBE programs, incurred no penalties and complied with all stated participation goals with respect to MBE/WBE on all other comparable projects.

Experience Reference Form

MegaKC Corporation submitted the required Evidence of Competency and the Experience Reference Form/Summary for similar projects, which were completed within the last 5 years. Past project references for MegaKC Corporation appear to be in good standing.

Financial Statement

A review of the MegaKC Corporation financial standing using the Dun and Bradstreet (D&B) ratings was performed by the Design Professional. The review indicated MegaKC Corporation has a credit rating of 1R4. The "1R" indicated the company has more than 10 employees. The "4" indicates an overall "higher than average risk" credit appraisal.

The 24-month PAYDEX score is 69, which indicates that payments to suppliers averaged 16 days beyond terms. The D&B Viability Rating summary shows a score of 68BG which indicates a moderate risk that the company will go out of business, become dormant/ inactive, or file for bankruptcy/insolvency within the next 12 months. Overall, MegaKC Corporation appears to have similar risk and financial ratings compared to companies within the industry of similar size.

Claims and Lawsuits

MegaKC Corporation provided a statement that no litigation or arbitration involving MegaKC Corporation has occurred in the last five years.

OSHA Safety Record and Experience Modification Ratio

MegaKC Corporation has no OSHA violations that resulted in fines within the last three years. MegaKC did not submit OSHA reportable accident rates on recent comparable size projects. MegaKC Corporation submitted Experience Modification Ratio (EMR) of 0.82, indicating a high safety rating.

List of Subcontractors and Suppliers

MegaKC Corporation submitted an acceptable List of Subcontractors to be utilized in this project.

Summary

It is recommended that the City move forward to contract with MegaKC Corporation in the amount of **\$4,256,137.00** plus authorization for **\$425,863.00** (approximately 10% contingency) for a maximum authorization of **\$4,682,000.00** (Base Bid + Alternates 1, 2, 3 + 10% contingency). This

Project is in the **FY25 budget** and is to be funded from Water Department funds, source 25-8110-807769-611060-81000975.

In addition to the Construction Contract with MegaKC Corporation., it is recommended that the City move forward to amend the contract with McClure Engineering for Construction Phase Services to CN#1650 in the amount of **\$500,000.00**, for a maximum authorization of **\$863,000.00**. This Project is in the FY25 budget and is to be funded from Water Department funds, source 25-8110-807769-611040-81000975.

Approved: 

 Andy Shively, P.E., Deputy Director
Water Services Department

Approved: 

 Kelly Postlewait, Interim Director
Water Services Department

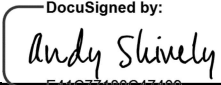
Attachments:

1. Bid Tab
2. Design Professional's Recommendation Letter
3. Dun and Bradstreet (D&B) Report
4. KCU Commitment Letter

cc: Contract File #1689

**TABULATION OF BIDS RECEIVED AND OPENED ON
TUESDAY, June 4, 2024 AT 2:00 PM**

**PROJECT/CONTRACT NO. 81000975/1689 –
Green Infrastructure Project 1-2: Paseo Gateway/KCU**

Bidder	Base Bid (plus Allowance) as read at Bid Opening	Bid Alternates
Gunter Construction	\$ 4,170,564.00	Alt #1 - \$ 56,4000.00 Alt #2 - \$ 62,230.00 Alt #3 - \$ 218,810.00
MegaKC	\$ 4, 018,387.00	Alt #1 - \$47,000.00 Alt #2 - \$ 41,650.00 Alt #3 - \$ 149,100.00
Engineer's Estimate	\$ 3,959,896.00 \$3,960,247.10	Alt #1 - \$ 25,000.00 Alt #2 - \$ 68,600.00 Alt #3 - \$ 204,000.00 \$214,000.00
KC WATER	DocuSigned by:  _____ E41C77180C47408 Andy Shively, P.E., Deputy Director	
Bids opened and read by:		

Note: Engineer's Estimate was corrected for tabulation error in totals from unit prices.