MEMORANDUM

TO: Mayor Allender and Common Council
FROM: Wade Nyberg
DATE: December 15, 2017
RE: Rapid Ride Bench Pads Bid

Public Works staff is recommending that you award the above bid to Tru-form Construction, Inc. according to a negotiated bid schedule. PW received 2 bids on this item, and both came in over the engineer’s estimate. Tru-form’s bid was roughly $35,000 more than the estimate, and Complete Concrete, Inc.’s bid was roughly $240,000 over the estimate. Pursuant to SDCL 5-18B-5, the City may negotiate with a low bidder when the low bid exceeds the final estimated project cost in order to obtain the most advantageous price. (The statute is copied below for your review.) These negotiations resulted in the revised bid schedule that staff is recommending for award. The Council also has the option to reject the bids received and re-advertise for bids.

SDCL 5-18B-5. Negotiations if lowest responsive and responsible bid exceeds final estimated project cost. If the lowest responsive and responsible bid for a public improvement project exceeds the final estimated project cost, the Bureau of Administration, acting on behalf of the state, or any other purchasing agency may negotiate with that low bidder for the construction of a public improvement at the most advantageous price.