



CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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MEMORANDUM

TO: Mayor Kooiker and Common Council

FROM: Wade Nyberg *WEN*

DATE: September 25, 2014

RE: Water & Sewer Main Extension – Plum Tree Lane Bid

Public Works staff is recommending that you award the above bid to Mainline according to a negotiated bid schedule. PW received only 1 bid on this item, and it came in roughly \$50,000 over the engineer's 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 bid 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.