



May 03, 2021

Lynden Lawson
Assistant Director of Public Works/Operations
City of Joplin
602 S Main St
Joplin, Missouri 64801

Re: Recommendation of Award
Turkey Creek and Shoal Creek Wastewater Treatment Facilities
Digester Roof Repairs
Joplin, Missouri
Olsson Project No. G17-0642

Dear Lynden:

Bids were received Tuesday, April 27, 2021, for the above referenced project. One bid was submitted by McClanahan Construction Co., Inc. of Rogersville, Missouri in the amount of \$1,280,000.00.

As you know, the bid submitted was substantially more than the engineer's opinion of probable cost. Construction project bid prices have been increasing significantly across the industry. We have witnessed this firsthand on several of the water and sewer line projects recently bid. Based on my discussion with several contractors, recent construction cost increases are attributable to several factors. Material costs for wood, stainless steel, and plastics are increasing rapidly. Availability of laborers to perform the work along with a plentiful construction market.

The digester roof repairs at the Turkey Creek and Shoal Creek Wastewater Treatment Facilities are a difficult project in which the roofs must be removed and replaced while the existing equipment and facility remains in operation. Repair projects of this type carry more risk compared to new construction. We believe the project type and the current construction market are the primary factors the City received only one bid for the project after extending the bid date.

Upon review of the contractor's experience, McClanahan Construction has completed several projects of similar value and type at wastewater treatment facilities in the area. Two of the projects were completed for the City of Joplin at the Turkey Creek Wastewater Treatment Facility for Tertiary Filter Replacement in 2016 and 2020.

The bid price of \$1,280,000.00 for the project exceed the estimated project cost and may exceed the City's available funds for the project. We recommend the City, Olsson, and McClanahan Construction perform a collaborative project review to determine potential cost savings. If the bid price submitted by McClanahan Construction Co., Inc. of Rogersville, Missouri in the amount of \$1,280,000.00 is acceptable to the City of Joplin we recommend awarding the contract to McClanahan Construction Co., Inc. While we have no way of verifying the present financial condition of McClanahan Construction Co, Inc., the contract requires the

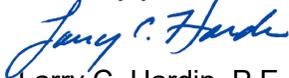
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furnishing of 100 percent performance and payment bonds prior to authorization of the notice to proceed of construction.

The contract requires completion of the project within 210 days from the date of the issuance of the notice to proceed.

If we can answer any questions or be of further service at this time, please give us a call.

Cordially yours,



Larry C. Hardin, P.E.
Project Manager

LCH:lch