

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0323R

RESOLUTION RESCINDING AWARD OF A CONTRACT TO NELS NELSON & SONS, INC., FOR CONSTRUCTION OF THE LAKEWALK EAST EXTENSION PHASE II IN THE AMOUNT OF \$608,912.68 AND AWARDING THE CONTRACT TO VEIT & CO., INC., IN THE AMOUNT OF \$658,343.85.

CITY PROPOSAL:

RESOLVED, that at the request of Nels Nelson & Sons, Inc., Resolution No. 08-0617 awarding the construction contract for the Lakewalk East extension, Phase II, project to that company is hereby rescinded and the award of said contract is hereby revoked.

RESOLVED FURTHER, that the contract for the Lakewalk East extension, Phase II, (City Project No. 0580TR, CP 2008-OT0818, S.P. 118-090-13, Federal Project No. TEAX 6908(147)) is hereby awarded to the next lowest bidder, Veit & Co., Inc., on their bid of \$658,343.85, payable from Capital Improvement Fund 0450, Agency 030, Object 5530.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director  
Purchasing Agent \_\_\_\_\_

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

STATEMENT OF PURPOSE: Resolution 08-0617, passed on October 27, 2008, authorized award of a contract to Nels Nelson & Sons, Inc.. for construction of the Lakewalk East extension, Phase II, from 36th Avenue East to approximately 47th Avenue East, in the amount of \$608,912.68. Due to circumstances beyond their control, Nels Nelson & Sons, Inc., has determined that they will be unable to perform the work and have asked that the city rescind the award to them and award to the next low bidder, Veit & Co., Inc., in the amount of \$658,343.85. Although the second-lowest bid is \$49,431.17 higher than the low bid, Veit & Co.'s price is reasonable, and the city will lose a DNR grant of \$130,000 if the project does not proceed during the 2009 construction season.