

BOARD OF SARPY COUNTY AND CITIES WASTEWATER AGENCY**RESOLUTION AUTHORIZING AGENCY ADMINISTRATOR TO ISSUE NOTICE OF AWARD OF CONSTRUCTION CONTRACT FOR THE SPRINGFIELD CREEK BASIN PORTION OF PHASE 1A OF THE UNIFIED SSWS**

WHEREAS, pursuant to the Interlocal Cooperation Act, Neb. Rev. Stat. § 13-801, et seq. (the “Act”), Sarpy County and the Cities of Papillion, Bellevue, Springfield, La Vista and Gretna entered into that certain Interlocal Agreement Creating the Sarpy County and Cities Wastewater Agency dated September 19, 2017 (as amended, the “Formation Interlocal”) and formed the interlocal agency called the Sarpy County and Cities Wastewater Agency (the “Agency”) (all capitalized terms not otherwise expressly defined herein shall have the same meanings as provided in the Formation Interlocal). The Formation Interlocal is incorporated herein by this reference;

WHEREAS, the Agency is a separate body corporate and politic under the Act;

WHEREAS, pursuant to the Formation Interlocal, the powers of the Agency as a body are exercised by the Agency Board;

WHEREAS, pursuant to the Formation Interlocal the Agency is authorized to, among other things, make and execute contracts for the construction of the Unified SSWS;

WHEREAS, in connection with carrying out these functions and purposes, the Agency published bid advertisements for the construction of the Springfield Creek basin portion of Phase 1A of the Unified SSWS;

WHEREAS, on September 1, 2021, Agency legal counsel opened bids that were submitted to the Agency Secretary in accordance with the bid instructions;

WHEREAS, after reviewing the received bids, the Agency’s technical advisor, HDR Engineering, Inc., determined S.M. Hentges & Sons Inc. (“Hentges”) to be the lowest responsive and responsible bidder. Pursuant to the attached letter, HDR recommends the Agency award a construction contract to Hentges for the Springfield Creek basin portion of the Unified SSWS in the amount of \$24,999,513.00;

WHEREAS, after reviewing the Hentges bid and HDR’s recommendation letter, Agency legal counsel, Husch Blackwell LLP, determined that Hentges provided the documentation required by the Nebraska Department of Environment and Energy (“NDEE”) to issue state revolving fund construction loan (the “SRF Loan Agreement”). Pursuant to the attached letter, Agency legal counsel recommends the Agency award the above-referenced construction contract to Hentges; and

WHEREAS, the Agency Board discussed the Hentges bid for the construction of the Springfield Creek basin portion of Phase 1A of the Unified SSWS and the related information and materials presented by the Agency Administrator, technical advisors and legal counsel, and

after discussion, the Agency Board deemed it appropriate, necessary, convenient and advisable to authorize the Agency Administrator to issue a notice of award to Hentges for the construction contract for the Springfield Creek basin portion of the Unified SSWS in the amount of \$24,999,513.00; provided, however, the Agency Administrator may only issue such notice of award after the Agency and NDEE execute the SRF Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE AGENCY BOARD that upon the full execution of the SRF Loan Agreement by the Agency and NDEE, the Agency Administrator is authorized to issue a notice of award to Hentges for the construction contract for the Springfield Creek basin portion of the Unified SSWS in the amount of \$24,999,513.00 in accordance with instructions to bidders and other documents issued by the Agency and its advisors in connection with the above-described construction bid (the "Bid Documents"); and

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE AGENCY BOARD that these Resolutions shall not be interpreted or construed as a waiver of the Agency's rights under the Bid Documents for the Springfield Creek basin portion of Phase 1A of the Unified SSWS.

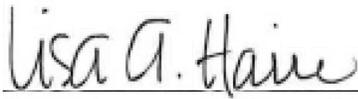
The above Resolutions were approved by a vote of the Sarpy County and Cities Wastewater Agency Board at a public meeting duly held in accordance with applicable law on the 6th day of October 2021.

ATTEST:





Sarpy County and Cities Wastewater
Agency Board Vice-Chairman



Sarpy County and Cities Wastewater
Agency Secretary



September 14, 2021

Sarpy County and Cities Wastewater Agency
Attn: Mr. Dan Hoins, Agency Administrator
1210 Golden Gate Drive, Suite 1126
Papillion, NE 68046-2845

**RE: Southern Sarpy County Regional Wastewater System - Phase 1A: Springfield Creek Interceptor Sewer, CWB Sewer and CWB Equalization Basin
Engineer's Recommendation of Award**

Dear Mr. Hoins:

On September 1, 2021, bids were opened for the Southern Sarpy County Regional Wastewater System - Phase 1A: Springfield Creek Interceptor Sewer, CWB Sewer and CWB Equalization Basin. There were four bidders, S.M. Hentges & Sons, Inc., S.J. Louis Construction, Inc., Valley Corp., and Carstensen Contracting, Inc. Total Bid Prices ranged from a low of \$24,999,513.00 to a high of \$32,168,935.78. The apparent low bidder was S.M. Hentges & Sons, Inc. with a total bid of \$24,999,513.00. The Engineer's Opinion of Probable Construction Cost (OPCC) was \$22,787,853.00. Refer to the attached copy of the detailed Bid Tabulation for summary of bids received.

The total bid for the apparent low bidder was approximately 10% higher than the Engineer's OPCC. The spread between the four bidders was less than 29%. The spread between the two low bidders was less than 2%. Bids were competitive and reflect a true cost for the project as designed.

After discussing with the bidders and suppliers, there were several factors that were not anticipated and resulted in bid prices that were higher than the Engineer's estimate which include the following:

- The current bidding climate appears to be trending toward higher pricing. This is believed to be the continued result of the impacts from the COVID-19 pandemic and current impacts from Hurricane Ida on the materials supply chain and the labor force.
- Quotes received from various material suppliers are only valid for one day to one week due to Hurricane Ida. Because it might be several weeks before the suppliers lock in their pricing, which is typical, bidders have included significant pricing risk mitigation measures into their bids.

- Increased manufacturing costs for plastic products, PVC and HDPE pipe have increased due to the fallout hurricane Ida has had on oil production and power outages. The decrease in oil production and power failure caused shut down of many facilities that manufacture resin needed for these materials. This has resulted in a 30-40% increase in costs for these materials.
- The local market for Contractors and Subcontractors is extremely competitive due to multiple large data center projects under construction in the Omaha area and other regional projects. Local Contractors and Subcontractors are very flush with work and have indicated that they would have a difficult time providing the labor and equipment to complete the work on the schedule provided. This is evident by the fact that no local contractors such as Hawkins Construction Company, Roloff Construction, or Kiewit Infrastructure co. submitted bids for the project.

Bidders have indicated that they do not see these market conditions changing over the next few months. They also indicated that general contractors and trades have many projects to choose from in the current bidding market and the amount of potential future work in the regional area. For this reason, rebidding the project is not recommended unless there are significant changes in the nature of the project.

At HDR's request, S.M. Hentges & Sons, Inc. provided an experience statement with references for projects of similar size and scope, contact information for their bonding company and identified and provided qualification statements for major subcontractors.

Based on conversations with references provided for similar projects and information from the bonding company, S.M. Hentges appears to be a responsible contractor qualified for this project. The related project experience and bonding company references all checked out favorably. S.M. Hentges is a well-established general contractor in the construction of water and wastewater projects with over 40 years of experience. S.M. Hentges job list shows six projects in the past six years that were \$15,000,000 or greater with two of these projects being sewer projects, this meets the qualifications requirements for the project. Their construction experience is for larger, multimillion dollars projects. Indications are that S.M. Hentges has the financial strength, experience, and project management capabilities to successfully complete the work.

Following evaluation of the bids received, HDR recommends award of a contract in the amount of \$24,999,513.00 (Total Bid Price), to the following as the lowest responsive, responsible bidder:

S.M. Hentges & Sons Inc.
650 Quaker Avenue
Jordan, MN 55352
(612) 505-6080

HDR's review does not include verification that S.M. Hentges & Sons Inc. has met all the requirements in the proposal for submitting additional documentation identified by the Agency and/or NDEE for SRF. It is assumed that the Agency and/or their legal council will verify these additional documents have been properly submitted with S.M. Hentges' proposal prior to awarding contract.

Mr. Dan Hoins
September 14, 2021
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Please review the responses to your design review comments. If you would like to discuss the responses in more detail, please let us know and we can schedule a meeting or conference call.

If you have any questions or comments, please do not hesitate to contact me at 402-742-2901.

Sincerely,
HDR Engineering, Inc.



Rodney Kirkland, PE
Sr. Project Manager

cc: Dan Hoins, Agency
Jeff Thompson, Agency
Adam Charlsen, Husch Blackwell
Leanne Zietlow, HDR

HUSCH BLACKWELL

Brent A. Meyer
Partner

13330 California Street, Suite 200
Omaha, NE 68154
Direct: 402.964.5039
Fax: 402.964.5050
brent.meyer@huschblackwell.com

September 30, 2021

Mr. Dan Hoins
Agency Administrator
Sarpy County and Cities Wastewater Agency
1210 Golden Gate Drive, Suite 1126
Papillion, NE 68046-2845

Dear Mr. Hoins:

On behalf of the Agency, Husch Blackwell opened bids for the construction of the Southern Sarpy County Regional Wastewater System- Phase 1A: Springfield Creek Interceptor Sewer, CWB Sewer and CWB Equalization Basin on September 1, 2021. The apparent lowest bidder was S.M. Hentges & Sons, Inc. ("S.M. Hentges"). Husch Blackwell then sent the four bids received to HDR for the determination of whether the apparent lowest bidder is a responsible contractor qualified for this project.

On September 14, 2021, HDR sent the Agency a letter confirming that based upon the information provided by S.M. Hentges and HDR's conversation with the provided references that S.M. Hentges is the lowest responsive, responsible bidder. The September 14, 2021 letter states that HDR did not verify whether S.M. Hentges provided the additional documentation required by the Nebraska Department of Environment and Energy for the SRF loans. Husch Blackwell agreed that it would review the bids to determine whether the lowest responsive, responsible bidder provided the documentation required by NDEE for the SRF loans.

Husch Blackwell has reviewed S.M. Hentges' bid and has determined it has provided the required documentation for the SRF loans. Husch Blackwell has the original bids in its possession and will provide the bids to either the Agency or NDEE if requested.

Based upon HDR's letter and the verification that the SRF required documents have been provided, Husch Blackwell recommends that the Agency issue a notice of award to S.M. Hentges.

Please do not hesitate to contact me with any questions or comments.

Sincerely,



Brent A. Meyer

BAM/dl