



LOUDON UTILITIES

**P.O. BOX 69
LOUDON, TENNESSEE 37774**

AGENDA

LOUDON UTILITY BOARD WORKSHOP

Monday, August 9, 2021

4:30 PM

1. Recognition of Visitors
2. Safety Report
3. Vonore Pump Station Bid Results
4. Hutch Property Release
5. Solar PPA
6. Update on Active Projects
7. Natural Gas Rate
8. Other



LOUDON UTILITIES

P.O. BOX 69
LOUDON, TENNESSEE 37774

To: Chairman Campbell and Board Members

From: Ty Ross

Subject: August Workshop Items

Date: August 6, 2021

The following items appear on the agenda for the August 9, 2021 workshop meeting of the Board of Directors of Loudon Utilities:

1. Recognition of Visitors:
2. Safety Report: There were no reportable injuries in the month of July.
3. Vonore Pump Station Bid Results: We have reviewed the bids and have included a bid tabulation in your packet. Based on our review we recommend award of the project to W&O Construction of Livingston, Tennessee in the total base bid amount of \$607,250.00.
4. Hutch Property Release: We want to explore the concept of releasing responsibility of the Hutch Property to the City Council.
5. Solar PPA: At the time this agenda is published the PPA is not complete. The staffs of LUB and Sunrise are still working out the details of various provisions.

6. Update on Active Projects:

We will provide general updates on the status on other Water/Waste Water system improvement projects:

- River Crossing – entering compliance with Federal EDA grant requirement phase – awaiting letter from Army Corps requested by Federal EDA.
- TVPOA Tank – bid package is currently advertised. Bids are due 8/31.
- WTP – application with State Revolving Loan Fund complete. Awaiting approval.
- Bulk Hypo. Conversion – contract awarded and construction commencing.

7. Natural Gas Rate: The cost of natural gas delivered to the City Gate increased for the month of August 2021. Utilizing the formula for natural gas rates, this converts into a rate of \$1.32 per 100 cubic feet for gas billed after September 1, 2021.



CTI Engineers, Inc.
112 Durwood Road
Knoxville, TN 37922
Phone 865.246.2750
Fax 865.246.2755
www.ctiengr.com

July 23, 2021

Mr. Ty Ross
General Manager
Loudon Utilities
2360 Highway 72 North
Loudon, TN 37774

Subject: Upgrade Vonore Pump Station
Bid Tabulations and Recommendations of Award
CTI Project No. K19008-04

Dear Mr. Ross:

Bids on the subject project were opened and read aloud on Thursday, July 22, 2021, with the following results:

| | <u>Contractor</u> | <u>Total Base Bid</u> |
|----|--------------------------------------|-----------------------|
| 1) | Design & Construction Services, Inc. | \$744,500.00 |
| 2) | Frizzell Construction Company, Inc. | \$686,000.00 |
| 3) | J.S. Haren Company | \$633,000.00 |
| 4) | Norris Bros., LLC | \$5,880,000.00 |
| 5) | Southern Constructors, Inc. | \$633,000.00 |
| 6) | W&O Construction | \$607,250.00 |

We have reviewed the bids in detail and a completed bid tabulation is attached for your records. Also, we have examined the bids and investigated the qualifications and licensing of the low bidder. Based on that review, we recommend award of the subject project to W&O Construction of Livingston, Tennessee, in the total base bid amount of \$607,250.00.

It is our recommendation that the contract be awarded in accordance with the requirements specified in the Contract Documents. Please note that the contract amount appears to be within the expected budget limitations for the project.

In anticipation of your acceptance of this recommendation, four (4) copies of the "Notice of Award" for the contract are enclosed. Each copy should be signed (but not dated), and returned to me at your convenience. Please let me know if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read 'D. Jones', with a horizontal line extending to the right and a loop at the bottom.

David L. Jones, P.E.
Project Manager

cc: Larry Joe Dockery, Loudon Utilities (via email)
Project Files - K19008-04

**BID TABULATION
UPGRADE VONORE PUMP STATION
LOUDON UTILITIES**

| | | | | | | | |
|---|------------------------|---|--|---|---|--|--|
| Bid Opening Time: 2:00 PM Date: July 22, 2021 Place: 2360 Highway 72 N, Loudon TN | Name of Bidder: | Norris Bros, LLC 22 Northside Ln Crossville, TN 38571 | W&O Construction 150 Construction Dr. Livingston, TN 38570 | Design & Construction Services, Inc. 6020 Industrial Heights Dr. Knoxville, TN 37909 | J. S. Haren Company 1175 Highway 11 N Athens, TN 37303 | Frizell Construction Company, Inc. 1501 Bluff City Highway Bristol, TN 37620 | Southern Constructors, Inc. 1150 Maryville Pike Knoxville, TN 37920 |
| | Bid Bond: | Atlantic Specialty Insurance Company Hennepin County, Minnesota | Cincinnati Insurance Co 6200 S Gilmore Road Fairfield, Ohio 45014 | Atlantic Specialty Insurance Company Hennepin County, Minnesota | Merchants National Bonding, Inc Dallas County, Iowa | Atlantic Specialty Insurance Company 605 Highway 169 N, Ste. 800 Plymouth, MN 55441 | Travelers Casualty and Surety Co Hartford, Connecticut |

BASE BID

| Item No. | Description | Unit | Est. No. | Unit Price | Item Total | Unit Price | Item Total | Unit Price | Item Total | Unit Price | Item Total | Unit Price | Item Total | Unit Price | Item Total |
|-----------------------|--|------|----------|-----------------------|----------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|
| 1 | New Pump Station, Complete Installation Including Site Work, Building, Electrical, Pump Skid, Piping, Valves, and associated incidentals, per drawings | LS | 1 | \$4,900,000.00 | \$4,900,000.00 | \$547,750.00 | \$547,750.00 | \$676,000.00 | \$676,000.00 | \$593,000.00 | \$593,000.00 | \$651,000.00 | \$651,000.00 | \$591,000.00 | \$591,000.00 |
| 2 | Existing Pump Station Piping Modifications, Complete Installation including Site Work, Piping, Valves, and associated incidentals, per drawings | LS | 1 | \$980,000.00 | \$980,000.00 | \$59,500.00 | \$59,500.00 | \$68,500.00 | \$68,500.00 | \$40,000.00 | \$40,000.00 | \$35,000.00 | \$35,000.00 | \$42,000.00 | \$42,000.00 |
| TOTAL BASE BID | | | | \$5,880,000.00 | | \$607,250.00 | | \$744,500.00 | | \$633,000.00 | | \$686,000.00 | | \$633,000.00 | |

I hereby certify that the above is a true and accurate tabulation of bids received at 2:00 p.m. local time on July 22, 2021, at the utility district office, 2360 Highway 72 North, Loudon, TN 37774, for the Upgrade Vonore Pump Station Project for the Loudon Utilities.

By 

David L. Jones, P.E., Project Manager
 Tennessee License No. 20224
 CTI Engineers, Inc.
 112 Durwood Road, Suite A
 Knoxville, TN 37922

NOTICE OF AWARD

To: W&O Construction Company, Inc.
150 Construction Drive
Livingston, TN 38570

Project Description: The site of the proposed work is located in Loudon, Tennessee. The project consists of the installation of a packaged water booster pump station and miscellaneous piping modifications.

The Owner has considered the Bid submitted by you for the above-described work in response to its Advertisement for Bids dated June 22, 2021, and Information for Bidders.

You are hereby notified that your bid has been accepted for items in the amount of \$607,250.00.

You are required by the Information for Bidders to execute the Contract and furnish the required Contractor's Performance Bond, Payment Bond and certificates of insurance within ten calendar days from the date of this notice to you.

If you fail to execute said Contract and to furnish said bonds within ten days from the date of this notice, said Owner will be entitled to consider all your rights arising out of the Owner's acceptance of your bid as abandoned and as a forfeiture of your Bid Bond. The Owner will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to the Owner.

Dated this _____ day of _____, 20__.

LOUDON UTILITIES
(Owner)

By _____

Name Ty Ross

Title General Manager

ACCEPTANCE OF NOTICE

Receipt of the above Notice of Award is hereby acknowledged by _____, this the _____ day of _____, 20__.

By _____

Name _____

Title _____

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GAS RATE COMPUTATIONS

| | <i>Base Month (Sept 2003)</i> | <i>Rate Effective 6/1/21</i> | <i>Rate Effective 7/1/21</i> | <i>Rate Effective 8/1/21</i> | <i>Rate Effective 9/1/21</i> | <i>Rate Effective 10/1/21</i> | <i>Rate Effective 11/1/21</i> | <i>Rate Effective 12/1/21</i> |
|-------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Gas Supply Cost | 4.9950 | 2.8500 | 2.9100 | 3.5200 | 3.9300 | | | |
| Pipeline Charges | 0.2755 | 0.1115 | 0.1132 | 0.1295 | 0.1405 | | | |
| Supply Management | <u>0.0350</u> | <u>0.0450</u> | <u>0.0450</u> | <u>0.0450</u> | <u>0.0450</u> | <u>0.0450</u> | <u>0.0450</u> | <u>0.0450</u> |
| Subtotal | 5.3055 | 3.0065 | 3.0682 | 3.6945 | 4.1155 | | | |
| BTU & System Loss (8%) | 0.0000 | 0.2405 | 0.2455 | 0.2956 | 0.3292 | | | |
| Demand Unit Charge | 1.2200 | 2.7370 | 2.7370 | 2.7370 | 2.7370 | 2.7370 | 2.7370 | 2.7370 |
| ETNG Rate Action 8/2020 | | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Storage Charges | <u>0.0000</u> | <u>0.5900</u> | <u>0.5900</u> | <u>0.5900</u> | <u>0.5900</u> | <u>0.5900</u> | <u>0.5900</u> | <u>0.5900</u> |
| Cost of Gas | 6.5255 | 7.5740 | 7.6407 | 8.3171 | 8.7717 | | | |
| System Operations | <u>4.4745</u> | <u>4.4745</u> | <u>4.4745</u> | <u>4.4745</u> | <u>4.4745</u> | <u>4.4745</u> | <u>4.4745</u> | <u>4.4745</u> |
| Cost per MCF | \$11.000 | \$12.0485 | \$12.1152 | \$12.7916 | \$13.2462 | | | |
| Rate per 100 Cubic Feet | \$1.10 | \$1.20 | \$1.21 | \$1.28 | \$1.32 | | | |

*NOTE: BTU & System Losses added June 2004 – BTU Factor (7%) System Losses (1%)
Storage Charges added June 2004 and increased May 2008
ETNG Rate Action added August 2020*