

Rural Development May 6, 2024

Michigan State Office

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Robert Kramer
Tuscarora Township
3526 S Straits Highway
Indian River, MI 49749

SUBJECT: Tuscarora Township Phase I Sewer Project
Construction Contract Bid Award

Dear Mr. Kramer,

We have received copies of the May 2, 2024 memorandum from your engineer, Performance Engineers, Inc., recommending bid award for the above-mentioned project. We have also reviewed the bid tabulations with respect to our concurrence in the bid award. It appears that a fair showing of bidders responded to the advertisement with four bids each received for Phase I Gravity and Low Pressure Sewer and one bid for the WWTP Improvements.

As a primary tier recipient of federal funds, you have responsibilities under 2 CFR 180.300 to screen contractors for exclusions under the System for Award Management (SAM). You can accomplish this in one of three ways: checking contractor names at www.sam.gov/content/exclusions; collecting a certification (certification forms are currently included in the RD standard contract documents) or adding a clause or condition to the covered transaction. If you need any assistance in this regard, please contact me.

We concur with Aaron Nordman's recommendation letter and your tentative award of the work in the amounts as listed below:

	<i>Low Bidder</i>	<i>Amount</i>
Tuscarora Twp Phase 1 Gravity	Elmer's Crane & Dozer, Inc.	\$2,688,787.51
Tuscarora Twp Phase 1 Low Pressure Sewer	Matts Underground	\$2,224,569.00
Tuscarora Twp WWTP	Grand Traverse Construction	\$4,565,700.00

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

It is our understanding that the bids for the gravity and low pressure sewer were within an acceptable range of the estimates, but the wastewater treatment facility improvements exceeded the construction budget for that work item. Accordingly, your engineer negotiated with the low bidder to identify scope reductions that could achieve sufficient savings to allow the project to move forward. They identified five scope reductions that would result in a savings of \$540,335 to be implemented by Change Order No. 1, resulting in a final price of \$4,025,365. Award of the wastewater treatment plant contract should be made contingent on contractor's concurrent approval of Change Order No. 1.

Said award should be made subject to the availability of funds and completion of necessary financial arrangements with USDA Rural Development. Please be advised that we require a review of the contract documents and a certification signed by the local attorney (Exhibit GC-A of the General Conditions), before we can concur with the contract.

Federal law requires prospective lower tier participants to certify that neither it, nor its principals, is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.

Surety companies executing construction contract bonds must appear on the Treasury Department's most current Circular 570, List of Approved Sureties. The dates of the performance and payment bonds may not be prior to the date of the construction contracts. The effective date of "Power of Attorney" attached to the bonds, must be the same as the bonds. The bonds must be the EJCDC bond forms, 2018 version.

Please continue to work with Blake Smith of our Traverse City area office in the remainder of the project processing. If you have any questions or need additional information, please feel free to contact us.

Sincerely,

Andrew H. Granskog, P.E.
State Engineer

cc Blake Smith, Area Specialist – Traverse City A/O (by email)
 Performance Engineers, Inc. – Aaron Nordman, PE (by email)