



May 5, 2026

Ms. Amanda Bagwell, Engineering Manager
City of Lee's Summit Water Utilities
1200 SE Hamblen Road
Lee's Summit, MO 64081

**RE: MBC-Winnebago EFHB
Bid No. 1104**

Dear Ms. Bagwell,

Bids were opened for the above referenced project on April 29, 2026. MegaKC was the single submitted bid for a price of \$2,160,247.50.

A good faith effort was made to generate interest in bidding this project. The City directly contacted thirteen (13) contractors prior to the bid opening and provided them with the advertisement for bids. A list of contractors is attached to this letter. In addition to direct contact, Quest automatically distributes the advertisement to contractors and plan rooms. The bid opening was originally set for April 2, 2026. Approximately one week prior to bid opening, it was discovered that none of the current plan holders intended to bid the project, due to project schedule, staffing issues, or the bidding climate.

Due to the lack of bidders, the City extended the bid opening to April 29, 2026, to allow additional time for contractors to bid the project. Prospective bidders were again contacted prior to the bid opening to generate interest. Upon opening of bids only one bidder submitted on this project. All efforts that could reasonably be made were attempted to engage prospective bidders on the project, however, only one successful bidder was obtained. It is HDR's opinion that rebidding the project would not result in additional bidders.

HDR's Engineer's Opinion of Probable Costs was submitted to the City of Lee's Summit originally in July of 2025 and provided again in March 2026, to account for revisions to the contract documents in alignment with comments from Missouri Department of Natural Resources. The Engineer's Opinion of Probable Costs was for an amount of \$1,395,630.00 in 2025 dollars. The bid opening price came in higher at \$2,160,247.50.

An evaluation of the cost discrepancies between the Opinion of Probable Costs and the bid price noted that significant increases in construction prices occurred in the first part of the year. Data reported in the industry indicates that construction prices rose as much as a 12.6% annualized rate by the middle of March, and that doesn't factor in the cost of rising gas prices, which have not been fully reported at this point.

Another factor that influences construction costs is the current construction market in the entire Kansas City metro area. This has resulted in a shortage of resources in the labor market, impacting contractors. Contractors are increasing bid prices to factor in the risk associated with

the tighter pool of resources, which likely impacted the bids received on this project. During the bidding process, these challenges were identified by prospective bidders. Because of the reasons stated above, it is HDR's opinion that re-bidding this project is not advisable. Going through the bidding process a second time may potentially result in a higher low bid price given the factors involved.

All efforts were taken to drive interest in bidder participation and despite the significant increase from the estimated project cost, market factors could drive the cost even higher with no increase in competition. Therefore, HDR recommends awarding the project to the low bidder, MegaKC for a bid price of \$2,160,247.50

HDR believes that through value engineering discussions with MegaKC, some cost savings may be possible after the award of the project. Efforts will be made to reduce the overall project cost.

If you have any questions or comments, please contact me at (816) 347-1163.

Sincerely,
HDR Engineering, Inc.

A handwritten signature in blue ink, appearing to read "Ronald B. Hardee".

Ronald B. Hardee, P.E.
Senior Civil Engineer

Attachment 1 – Contractor List

Attachment 1
List of Contractors Contacted

1. VF Anderson
2. Redford Construction
3. She Digs It
4. Radmacher Brothers Excavating
5. Pyramid Excavation
6. Miles Excavating
7. Midwest Heavy Construction
8. Leath and Sons
9. Kissick
10. Kat Excavation
11. I-Solutions
12. Hoy Excavating
13. Beemer Construction