

March 4, 2024

Scott Younger, Village President
Village of Blue Mound
229 N Railroad Avenue
Blue Mound, IL 62513

Re: **Village of Blue Mound – Water Tower Rehabilitation Project**
IEPA Loan No. L17 5761

Dear Mr. Younger:

The bids for the Water Tower Rehabilitation project were opened Tuesday, February 20, 2024, at 2:00 pm. We have reviewed and tabulated the bids and are attaching a copy of the bid tabulation.

Three contractors submitted bids for the project. The low bidder was Era-Valdivia Contractors, Inc. with a bid of **\$431,500.00**. Era-Valdivia submitted documentation indicating they have the expertise, financial stability, manpower, and equipment needed to complete this work.

It is our recommendation that the low bid from Era-Valdivia Contractors, Inc. be considered responsive.

Below is a breakdown of the estimated IEPA Loan Costs if the Board chooses to proceed with the project as bid:

Bid Amount (Construction Cost)	\$ 431,500
Construction Contingency (3%)	\$ 12,951
Planning & Design Engineering	\$ 21,000
Construction Engineering & Management	\$ 71,000
Total Project Cost	\$ 536,651.00
<i>Loan Amount based on Borrowing Ordinance</i>	<i>\$ 3,000,000.00</i>
Available for Construction Period Interest	\$ 2,463,349.00

The bid amount with engineering to-date is within the funding nomination approved by IEPA which is \$2,189,000.00 submitted to the IEPA in 2023. This amount included was based on an opinion of probable done in 2023. Per the Project Priority List published in the FY2024 Intended Use Plan for SRF funded water projects, the IEPA has budgeted \$2,189,000 in total loan funds of which \$1,094,500 is principal forgiveness for this project in the current IEPA fiscal year (FY2024).

Below is an estimate of the IEPA Loan amount and annual payments if the project is approved as bid and expected principal forgiveness is received. The estimated annual payment is \$6,223.00.

Community Project Funding

Received, total	\$ 400,000.00.... < <i>Total project Cost.</i> ✓ <i>OK.</i>
Grant	\$ 320,000.00
To be paid by Village (waived by CPF; part of IEPA loan)	\$ 80,000.00.... <i>waiting on EPA's response</i>

IEPA SRF PWSLP Loan Funding (worst case scenario)

Total Project Cost	\$ 536,651.00
* Eligible Loan Amount (= Total Project Cost – Grant)	\$ 216,651.00
Principal Forgiveness Eligibility	50% up to a maximum of \$1.65 Mn
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Net Loan Amount	\$ 108,325.50
<i>Loan Terms based on qualifying incentives</i>	<i>1.36% interest rate for 20-yr loan</i>
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Estimated Annual Loan Payment	\$ 6,223.00

**This number does not include "Construction Period Interest" mentioned in the previous table.*

Please note, loan terms are not guaranteed until a loan offer has been received from IEPA and accepted by the Village.

If the Board accepts the current low bid, a Notice of Intent to Award will need to be executed and forwarded to each contractor & the IEPA. Once the IEPA issues a loan offer, the Village can proceed with issuance of a Notice of Award and execution of the contract.

Please contact me at 217-859-7634 or rlegner@chastainengineers.com or Rajita Singhal at 217-859-7601 or rsinghal@chastainengineers.com if there are any questions regarding this information.

Sincerely,



Ron Legner, P.E.
Enclosures

NOTICE OF INTENT TO AWARD

To: Era-Valdivia Contractors, Inc.
11909 S. Avenue O
Chicago, IL 60617

Project Description: Division 2: Water Tower Rehabilitation
L17-5728

The OWNER has considered the BID submitted by you for the above-described WORK dated February 20, 2024, in response to its Advertisement for Bids and Information for Bidders.

You are hereby notified that your BID will be accepted, contingent upon Illinois Environmental Protection Agency (IEPA) approval, for items in the amount of \$431,500.00.

You will be required by the Information for Bidders to execute the Agreement and furnish the required Contractor's Performance Bond, Payment Bond, and certificates of insurance within ten (10) calendar days from the date of the final Notice to be sent to you upon IEPA approval.

Dated this 4 day of MARCH, 2024.

R.M.
R.C.

Village of Blue Mound, Illinois

By: _____
Title: President