



TO: President Gardiner and Members of the Town Council

FROM: Jill E. DiTommaso, PE
Deputy Town Manager

DATE: September 19, 2022

RE: 2022 50/50 Sidewalk Replacement Program
JJ Newell request for price increase

Background

In April, the Town Council awarded the contract for the 2022 50/50 Sidewalk Replacement Program to JJ Newell. The unit prices in their bid are \$8.95 per square foot for 5-inch thick concrete sidewalk and \$10.25 per square foot for 7-inch concrete sidewalk. Town standards require 7-inch thickness of sidewalks which cross driveways for added strength and durability.

Typically, material suppliers hold their price for the construction season, but this year, amid a Portland cement shortage, JJ Newell's supplier has increased prices mid-season. A memo from JJ Newell is attached for further explanation.

Methodology

JJ Newell has obtained a quote from a new supplier, but this cost is higher than the cost used to compute their bid prices. They are requesting an increase in their unit prices to cover the increase supply costs they are experiencing.

Sidewalk Thickness	Original Bid Price	Requested Increase	New Price
5-inch	\$8.95	\$0.24	\$9.19
7-inch	\$10.25	\$0.35	\$10.60

Our finalized list of sidewalk repairs for this construction season is 18,175 SF of 5-inch sidewalk and 1,675 SF of 7-inch sidewalk. Using the original bid prices, the contract amount is \$179,835.00. The new prices would result in a net increase of \$4,948.25 to the contract, an approximate 3% increase.

Please keep in mind that these quantities are estimated. The final amount of the contract will be based on the contract unit prices and the actual square footage of sidewalk installed.

The Town has entered a contract with an agreed-upon unit price for sidewalk installation. If material prices had decreased, it is doubtful that the contractor would be requesting a reduction in unit prices. Volatility in the market is a risk undertaken by both parties. However, agreeing to the proposed increase shows good will toward a small, local contractor who has provided construction services to the Town for over a decade. It will allow us to proceed with the timely construction of this year's improvements as there is a real concern that JJ Newell may simply walk away from the current contract.

Recommendation

By motion and voice vote, approve the unit price increase of \$0.24/SF for 5-inch sidewalk and \$0.35/SF for 7-inch sidewalk to JJ Newell for the 2022 50/50 Sidewalk Replacement Program.