



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 17, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Report on rejection of bids for Contract 19-716-22 (Re-Bid), Furnish and Deliver One 44" x 80" Engine Lathe and Accessories to the O'Brien Water Reclamation Plant, estimated cost \$170,000.00

Dear Sir:

On February 21, 2019, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids Contract 19-716-21, Furnish and Deliver One 44" x 80" Engine Lathe and Accessories to the O'Brien Water Reclamation Plant.

In response to a public advertisement of June 19, 2019, a bid opening was held on July 9, 2019. All bids were rejected as reported at the Board Meeting of August 8, 2019.

In response to a public re-advertisement of August 28, 2019, a bid opening was held on September 17, 2019. The bid tabulation for this contract is:

IVERSON & COMPANY INC.	\$159,999.00	
IVERSON & COMPANY INC.	\$162,000.00	
REPUBLIC LAGUN MACHINE TOOL COMPANY		\$167,455.00

Nine hundred eleven (911) companies were notified of this contract being advertised and thirteen (13) companies requested specifications.

Iverson & Company ("Iverson") submitted two proposals for this contract (Quote A and Quote B) and submitted only one bid deposit. In accordance with page G-1 of the *General Requirements, Specifications and Conditions*, "any proposal which indicates multiple or alternate bids shall be deemed a non-responsive bid and shall be rejected by the Director of Procurement and Materials Management, unless the Contract expressly and unequivocally requests the submission of multiple or alternate bids." Furthermore, on page G-2 under *Bid*

Deposit, each proposal must be accompanied by a bid deposit and Iverson only submitted one bid deposit for both proposals. Iverson did not comply with the bid deposit requirements.

Iverson also submitted additional information on Quotes A and B. On page 5 under *Delivery*, Iverson requested a deposit for delivery. On page 6, Iverson indicates that they cannot agree to the liquidated damages clauses, and the price and specifications are subject to change without notice. In accordance with page G-1 of *General Requirements, Specifications and Conditions*, bidders are cautioned not to qualify their bids by modifying the contract documents, either by alterations, by supplemental statements or by adding additional terms and conditions. Therefore, Iverson & Company's bid is considered non-responsive and rejected in the public's best interest. The Director of Procurement and Materials Management has informed Iverson & Company of this action.

Republic Lagun Machine Tool Company ("Republic") submitted a proposal with additional information on their proposal. On page 9, under their terms and conditions, Republic requested a down payment and wants the ability to adjust prices. In accordance with page G-1 of *General Requirements, Specifications and Conditions*, "bidders are cautioned not to qualify their bids by modifying the Contract Documents, either by alterations, by supplemental statements or by adding additional terms and conditions. All bids are to be in accordance with the specifications. Bids which are not in accordance with the specifications may be rejected. No bid may be modified in any way after it has been submitted to the District."

Therefore, Republic Lagun Machine Tool Company's bid is considered non-responsive and rejected in the public's best interest. The Director of Procurement and Materials Management has informed Republic Lagun Machine Tool Company of this action.

The Maintenance and Operations Department will review the specifications prior to re-advertisement of this contract.

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management, DAL:SEB:cm