



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Report on rejection of bids for Contract 17-134-3M, Odor Control Facilities at Sludge Concentration, Southwest Coarse Screen, Overhead Weir and Post-Centrifuge Building, Stickney Water Reclamation Plant, estimated cost range from \$14,250,000.00 to \$17,250,000.00

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1/10/2019	1	Board of Commissioners	Published and Filed	Pass
1/10/2019	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JANUARY 10, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Report on rejection of bids for Contract 17-134-3M, Odor Control Facilities at Sludge Concentration, Southwest Coarse Screen, Overhead Weir and Post-Centrifuge Building, Stickney Water Reclamation Plant, estimated cost range from \$14,250,000.00 to \$17,250,000.00

Dear Sir:

On August 2, 2018, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids, Contract 17-134-3M, Odor Control Facilities at Sludge Concentration, Southwest Coarse Screen, Overhead Weir and Post-Centrifuge Building, Stickney Water Reclamation Plant.

In response to a public advertisement of August 29, 2018, a bid opening was held on October 23, 2018. The bid tabulation for this contract is:

IHC CONSTRUCTION COMPANIES, INC.	\$14,639,000.00
THE GEORGE SOLLITT CONSTRUCTION COMPANY	\$15,282,595.00
JOSEPH J. HENDERSON & SON, INC.	\$15,333,000.00
PATH CONSTRUCTION COMPANY, INC.	*\$21,307,125.00
*corrected total	

Eight hundred eighty (880) companies were notified of this contract being advertised and seventy-two (72) companies requested specifications.

The Affirmative Action Ordinance, Revised Appendix D goals for this contract are 15% Minority Business Enterprise (MBE), 7% Women Business Enterprise (WBE) and 10% Small Business Enterprise (SBE).

Upon review by the Diversity Administrator, the apparent low bidder, IHC Construction Companies, Inc. (IHC), submitted a bid with Exhibit B - Subcontractor's Letter of Intent for Midco Electrical Supply Inc., however, it had an incorrect contract number, contract title and identified Broadway Electric as the bidder instead of IHC. Therefore, their bid has been deemed non-responsive and rejected for non-compliance of the Revised Appendix D, Section 12 (d) of the Affirmative Action Ordinance. The Director of Procurement and Materials Management has informed IHC Construction Companies, Inc., of this action.

Upon review by the Diversity Administrator, the next lowest bidder, The George Sollitt Construction Company (Sollitt), exceeded the supplier exception amount allowable in accordance with Affirmative Action Ordinance, Revised Appendix D, Section 11 (i). Sollitt utilized Altra Builders, Inc., for WBE participation for material and supplies for \$485,800.00, but the Revised Appendix D Ordinance only allows 25% of the total amount of supplies or \$121,375.00 towards the WBE goal of 7%. As a result, the bid is deficient for the overall WBE goal, in the amount of \$365,000.00. Therefore, the bid is considered non-responsive and rejected for failing to comply with the Revised Appendix D Ordinance and in the public's best interest. The Director of Procurement and Materials Management has informed The George Sollitt Construction Company of this action.

Upon review by the Diversity Administrator, the third lowest bidder, Joseph J. Henderson & Son, Inc., also exceeded the supplier exception amount allowable in accordance with Affirmative Action Ordinance, Revised Appendix D, Section 11 (i). Joseph J. Henderson & Son, Inc., also utilized Altra Builders, Inc. for WBE participation for material and supplies for \$485,800.00. Again, the Revised Appendix D Ordinance only allows 25% or \$268,327.50 towards the WBE goal of 7%. As a result, the bidder commitment to Altra in its Utilization Plan exceeds the allowable Supplier amount by nearly 81%. Therefore, the bid is considered non-responsive and rejected for failing to comply with the Revised Appendix D Ordinance and in the public's best interest. The Director of Procurement and Materials Management has informed Joseph J. Henderson & Son, Inc., of this action.

Upon review by the Diversity Administrator, the final bidder, Path Construction Company, Inc. (Path), has a shortfall of the WBE participation goal and an unsigned waiver request. Path submitted a Utilization Plan that commits to \$1,260,000.00 for its WBE goal. However, for this contract, the WBE tailored goal equals \$1,278,426.00 (7%) leaving the bidder with a shortfall of \$18,426.00. Therefore, the bid is considered non-responsive and rejected for failing to comply with the Revised Appendix D Ordinance, Section 12 (c) and Section 13 (a) (ii), and in the public's best interest. The Director of Procurement and Materials Management has informed Path Construction Company, Inc., of this action.

In addition, Path Construction Company, Inc.'s bid is 23.5% over the high end of the estimated cost range of \$14,250,000.00 to \$17,250,000.00 and considered too high for award.

The contract documents will be reviewed and revised by the Engineering Department prior to re-advertisement.

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management, DAL:SEB:cm
Respectfully Submitted, Barbara J. McGowan, Chairman, Committee on Procurement
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for January 10, 2019