Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

File #:	18-0215 **Version:** 1		
Type:	Agenda Item	**Status:**	Adopted
File created:	2/21/2018	**In control:**	Procurement Committee
On agenda:	3/1/2018	**Final action:**	3/1/2018
Title:	Authority to award Contract 11-186-AF, Demolition at Addison Creek Reservoir and Thornton Reservoir, Bellwood and South Holland, Illinois, to K.L.F. Enterprises, Inc., in an amount not to exceed $391,222.00, plus a five (5) percent allowance for change orders in an amount of $19,561.10, for a total amount not to exceed $410,783.10, Account 401-50000-645620, Requisition 1473657		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Contract 11-186-AF Revised Appendix D Report.pdf, 2. Contract 11-186-AF Project View.pdf		

Date	Ver.	Action By	Action	Result
3/1/2018	1	Board of Commissioners	Approved	Pass
3/1/2018	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 1, 2018

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to award Contract 11-186-AF, Demolition at Addison Creek Reservoir and Thornton Reservoir, Bellwood and South Holland, Illinois, to K.L.F. Enterprises, Inc., in an amount not to exceed $391,222.00, plus a five (5) percent allowance for change orders in an amount of $19,561.10, for a total amount not to exceed $410,783.10, Account 401-50000-645620, Requisition 1473657

Dear Sir:

On September 14, 2017, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids Contract 11-186-AF, Demolition at Addison Creek Reservoir and Thornton Reservoir, Bellwood and South Holland, Illinois.

In response to a public advertisement of December 6, 2017, a bid opening was held on January 9, 2018. The bid tabulation for this contract is:

BECHSTEIN CONSTRUCTION CORPORATION	$289,900.00
K.L.F. ENTERPRISES, INC.	$391,222.00
POULOS, INC.	$873,000.00
DYNAMIC WRECKING & EXCAVATION, INC.	$1,039,680.00
GALE CONSTRUCTION COMPANY	$1,640,278.50

Six hundred thirty-nine (639) companies were notified of this contract being advertised and thirty-seven (37) companies requested specifications.

The goals for this contract are 20 percent Minority Business Enterprise (MBE), 10 percent Women Business Enterprise (WBE) and 10 percent Small Business Enterprise (SBE).

A review of the low bid submitted by Bechstein Construction Corporation revealed that they requested a partial waiver of the MBE and WBE goals, and provided no participation for the SBE goal. A review by the Diversity Administrator indicates that Bechstein Construction Corporation failed to make a good faith effort to meet the MBE, WBE and SBE goals on this contract. The Director of Procurement and Materials Management concurs with the Diversity Administrator and the bid is considered non-responsive and rejected in accordance with Sections 12 and 13 of the Affirmative Action Ordinance, Revised Appendix D where the Director determines that a bidder has not made Good Faith Efforts, the Director shall declare the bid submission non-responsive and will reject the bid. The Director of Procurement and Materials Management has informed Bechstein Construction Corporation of this action.

K.F.L. Enterprises, Inc., the lowest responsible bidder, is proposing to perform the contract in accordance with the specifications. The estimated cost range for this contract is $921,500.00 to $1,115,500.00, placing their bid of $391,222.00 below the estimated cost range.

After a review, the following factors contributed to bid prices being below the engineer's estimate:

- A large portion of the contract work involves hauling and tipping fees for the demolition debris. The responsive bidder may have identified landfills, scrap yards, and/or recycling locations with less hauling distances and lower tipping fees.
- The Engineer's estimate did not include any salvage values for demolition materials. The responsive bidder may have accounted for this in their bid.

K.L.F. Enterprises, Inc., is in compliance with the Affirmative Action Ordinance, Revised Appendix D as indicated on the attached report. The Minority Business Enterprise (MBE), Women Business Enterprise (WBE) and Small Business Enterprise (SBE) utilization goals for this contract are 20 percent MBE, 10 percent WBE and 10 percent SBE.

K.L.F. Enterprises, Inc., has executed the Multi-Project Labor Agreement (MPLA) Certificate as required. It is anticipated that the following trades will be utilized on this contract: laborers, operating engineers, pipe fitters, and truck drivers. The list of construction trades is not intended to confer any rights or jurisdiction upon any union or unions.

The contract will require approximately four (4) people for the services.

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be authorized to award Contract 11-186-AF, Demolition at Addison Creek Reservoir and Thornton Reservoir, Bellwood and South Holland, Illinois, to K.L.F. Enterprises, Inc., in an amount not to exceed $391,222.00, plus a five (5) percent allowance for change orders in an amount of $19,561.10, for a total amount not to exceed $410,783.10, subject to the contractor furnishing a performance bond in form satisfactory to the Law Department and approved by the Director of Procurement and Materials Management.

The contract will commence upon approval of the Contractor's Bond and all work will be completed within 180 calendar days.

Funds are available in Account 401-50000-645620.

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 March 1, 2018

Attachments