



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Issue a purchase order and enter into agreement with Black & Veatch Construction, Inc., for construction services pursuant to RFP 12-RFP-20, Phosphorus Recovery System, Stickney Water Reclamation Plant, in an amount not to exceed \$31,879,000.00, Account 401-50000-645650, Requisition 1382816 (As Revised)

Sponsors:

Indexes:

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Attachments: 1. Contract 12-RFP-20 Appendix D

Date	Ver.	Action By	Action	Result
8/7/2014	1	Board of Commissioners	Approved	Pass
8/7/2014	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 7, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue a purchase order and enter into agreement with Black & Veatch Construction, Inc., for construction services pursuant to RFP 12-RFP-20, Phosphorus Recovery System, Stickney Water Reclamation Plant, in an amount not to exceed \$31,879,000.00, Account 401-50000-645650, Requisition 1382816 (*As Revised*)

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with Black & Veatch Construction, Inc. (Black & Veatch), for construction services associated with Contract 11-195-3P, Phosphorus Recovery System, Stickney Water Reclamation Plant.

A Request for Proposals, 12-RFP-20, Phosphorus Recovery Plan at the Stickney Water Reclamation Plant (SWRP), solicited proposals for the Phosphorus Recovery System at SWRP and was advertised on June 27, 2012. The Black & Veatch and Ostara USA, LLC, team was chosen for execution of the design and construction contracts. On June 6, 2013, the Board of Commissioners authorized the Director of Procurement and Materials Management to issue a purchase order and enter into an agreement with Black & Veatch for professional engineering services, in an amount not to exceed \$1,361,300.00. On June 19, 2014, a change order in the amount of \$564,803.00 was approved for an increase in design scope to a larger Phosphorus Recovery System, resulting in a total contract value not to exceed \$1,926,103.00. The scheduled design contract completion date is May 31, 2015. The 60% Design Drawings were issued by Black & Veatch on July 18, 2014.

The project will require modifications to existing facilities as well as construction of new infrastructure. The work performed under this Contract will include construction of a system capable of removing and recovering

phosphorus from the pre-digestion and post-digestion centrifuge centrates at SWRP. Major items will include the construction of phosphorus recovery building, furnishing of three (3) Pearl 10,000 reactors from Ostara, all processing equipment necessary for phosphorus recovery, chemical storage tanks, and all the works necessary to deliver centrate flows to the recovery facility.

At the beginning of design, the estimated cost reported at the June 6, 2013 Board Meeting was \$30,900,000.00. However, as design progressed, calculations were done to show that there was more phosphorus to be recovered from SWRP than originally estimated. As such, larger reactors and supporting equipment would be necessary which increased the cost to \$31,879,000.00. Although the design contract is still in progress, the construction value is based on Fixed Price Scoping documents prepared by Black & Veatch and was derived from taking drawings and specifications out to market.

It is estimated that 208 persons will be working on this construction project at various times with an estimated 44,000 man-hours of skilled trades.

A third agreement will be issued, 11-195-BP, which will contract directly between the District and Ostara USA, LLC for the marketing and beneficial reuse of the recovered phosphorous product, payment to the District per ton of product for the lifetime of the agreement, and maintenance services on all of the phosphorus recovery equipment for five (5) years.

The Agreement requires that all work shall be completed within 720 calendar days after approval of the contractor's bond. Liquidated damages are \$1,000.00 for each calendar day that the contractor is in default of the time specified for failing to achieve substantial work completion and \$200.00 for each calendar day that the contractor is in default of the time specified for completion of the entire work.

Black & Veatch will execute the Multi-Project Labor Agreement which will be part of the executed construction services Agreement. It is anticipated that various types of trades will be utilized on the Agreement. The utilization of any construction trades is not intended to confer any rights upon any union or unions.

The Affirmative Action interim Ordinance Appendix D will be included in this contract. The type of work to be performed under the contract is within the "Mechanical" category for establishing Minority-owned Business Enterprises (MBE), Women-owned Business Enterprises (WBE) and/or Small Business Enterprises (SBE) utilization goals. The MBE, WBE and/or SBE utilization goals for this contract are: 20% MBE, 9% WBE, and 10% SBE.

Black & Veatch has submitted their Affirmative Action Plan for this contract. The firms Reyes Group Ltd. is an MBE/SBE firm and Direct Steel, LLC, CT Mechanical, Leyden Electric, Inc., and Garrigan Construction, Inc. are WBE/SBE firms. All MBE/SBE and WBE firms will actively participate toward completion of this contract.

In view of the foregoing it is recommended that the Director of Procurement and Materials Management be authorized to issue a purchase order and enter into an agreement without advertising, per Section 11.4 of the Purchasing Act, in an amount not to exceed \$31,879,000.00.

Funds are available in Account 401-50000-645650.

Requested, Catherine A. O'Connor, Director of Engineering, MVL:GR
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management
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 August 7, 2014

Attachment

