



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 7, 2018

COMMITTEE ON PROCUREMENT

Mr. John P. Murray, Acting Executive Director

Report on rejection of bids for Contract 17-987-11, Specialty Railroad Track Services in the Stickney Service Area, estimated cost \$343,600.00

Dear Sir:

On May 4, 2018, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids Contract 17-987-11, Specialty Railroad Track Services in the Stickney Service Area.

In response to a public advertisement of April 4, 2018, a bid opening was held on April 24, 2018. The bid tabulation for this contract is:

TRANCO INDUSTRIAL SERVICE INC.	*\$282,391.88
SWANSON CONTRACTING CO, INC.	\$294,385.28
TRACK SERVICE, INC.	\$353,580.00
*corrected total	

Forty-seven (47) companies were notified of this contract being advertised and twenty (20) companies requested specifications.

The participation goals for this contract are 7 percent Minority Business Enterprise (MBE) and/or Women Business Enterprise (WBE) and 7 percent Small Business Enterprise (SBE).

Tranco Industrial Service Inc. (Tranco) provided 3 percent MBE participation, 0 percent WBE participation and 3 percent SBE participation. Tranco requested a waiver for the remaining participation of 4 percent MBE and/or WBE. A review by the Diversity Administrator revealed that Tranco did not provide a good faith effort to achieve the goals required under Section 12(e) of the Revised Appendix D Ordinance. The Director of Procurement and Materials Management concurs with the findings and has informed Tranco that their bid is considered non-responsive and rejected.

Swanson Contracting Co, Inc. (Swanson) provided 0 percent MBE participation, 2 percent WBE participation and 98 percent SBE participation. Swanson requested a waiver for the remaining participation of 5 percent MBE and/or WBE. A review by the Diversity Administrator revealed that Swanson did not provide a good faith effort to achieve the goals required under Section 12(e) of the Revised Appendix D Ordinance. The Director of Procurement and Materials Management concurs with the findings and has informed Swanson that their bid is considered non-responsive and rejected.

Track Service, Inc. (Track Service) provided 1 percent MBE participation, 6 percent WBE participation and 100 percent SBE participation. A review by the Diversity Administrator revealed that Track Service utilized JPCO RR Construction to provide material for \$21,215.00, however, bidder exceeded the allowable supplier exception under the Revised Appendix D Ordinance. The Ordinance, under Section 11(i) states that:

Purchase of materials and supplies must be pre-approved if their purchase is related to goal attainment. Bidder may count payments to MBE, WBE or SBE regular dealers or manufacturers who offer only furnish and deliver contracts for materials and supplies for no more than twenty-five percent (25%) of each MBE, WBE or SBE goal unless approved by the Administrator. If the bidder exceeds the supplier exception amount allowable as stated in the bid documents, the bid will be viewed as non-responsive.

Based on the company's bid amount of \$353,580.00, Track Service, Inc. is only allowed to utilize JPCO RR Construction for no more than twenty-five percent (25%) of the six percent (6%) WBE goal or \$5,303.75.

Pursuant to Section 10(b), a Suppliers Exception for this contract has not been approved for greater than the amount allowed under the Ordinance. Therefore, Track Service's bid is deemed non-responsive. The Director of Procurement and Materials Management concurs with the findings and has informed Track Service that their bid is considered non-responsive and rejected.

The Maintenance and Operations Department will revise and re-advertise in the future based on their discussion with the Diversity Section.

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 June 7, 2018