



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 19-717-21, Furnish, Deliver, and Install an Upgraded Operator for TARP Gate I at the O'Brien Water Reclamation Plant, estimated cost \$450,000.00

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TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 5, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Report on rejection of bids for Contract 19-717-21, Furnish, Deliver, and Install an Upgraded Operator for TARP Gate I at the O'Brien Water Reclamation Plant, estimated cost \$450,000.00

Dear Sir:

On May 2, 2019, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids Contract 19-717-21, Furnish, Deliver, and Install an Upgraded Operator for TARP Gate I at the O'Brien Water Reclamation Plant.

In response to a public advertisement of July 10, 2019, a bid opening was held on August 6, 2019. The bid tabulation for this contract is:

ORNELAS CONSTRUCTION CO. \$730,920.00

Eight hundred twenty-nine (829) companies were notified of this contract being advertised and nineteen (19) companies requested specifications.

The bid submitted by the sole bidder, Ornelas Construction Company, in an amount of \$730,920.00, is 62.4 percent over the estimated cost of \$450,000.00. Therefore, the bid was considered too high for award and rejected in the public's best interest. The Director of Procurement and Materials Management has notified Ornelas Construction Company of this action.

The Maintenance and Operations Department believes the additional cost over the estimate is to compensate for the risk associated with the specialty of confined space work under live wet well conditions and the strict shutdown requirements.

The Maintenance and Operations Department will review and revise the contract prior to re-advertisement.

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