



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF JULY 10, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to award Contract 12-932-21, Furnish, Deliver and Install Sludge Heat Exchangers at the Stickney Water Reclamation Plant, to Meccon Industries, Inc., in an amount not to exceed \$1,593,000.40, Account 201-50000-645750, Requisition 1360613

Dear Sir:

On July 11, 2013, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids, Contract 12-932-21, Furnish, Deliver and Install Sludge Heat Exchangers at the Stickney Water Reclamation Plant.

In response to a public advertisement of March 27, 2014, a bid opening was held on April 22, 2014. The bid tabulation for this contract is:

HAYES MECHANICAL, LLC.	\$1,026,706.00
DAHME MECHANICAL INDUSTRIES, INC.	*\$1,075,876.00
MECHANICAL INC.	\$1,354,840.00
MECCON INDUSTRIES, INC.	*\$1,593,000.40
I H C CONSTRUCTION COMPANIES, LLC	\$1,597,300.00
EDWARDS ENGINEERING, INC.	\$1,882,600.00
*corrected total	

Five hundred eighty-one (581) companies were notified of this contract being advertised and thirty-two (32) companies requested specifications.

The participation goals for this contract are 20 percent Minority Business Enterprise (MBE), 9 percent Women Business Enterprise (WBE) and 10 percent Small Business Enterprise (SBE).

A review of the low bid submitted by Hayes Mechanical, LLC (Hayes) revealed that they requested a waiver for the entire MBE, WBE and SBE participation on this contract. A review by the Diversity Administrator indicates that Hayes failed to make a good faith effort to meet the MBE, WBE and SBE goal on this contract. The Director of Procurement and Materials Management concurs with the Diversity Administrator and the bid was considered non-responsive and rejected in accordance with Section 12(e) (v) of the Affirmative Action Interim Ordinance 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 Hayes of this action.

The second low bidder, Dahme Mechanical Industries, Inc., submitted a bid bond in the amount of 5% of the amount bid. Five percent (5%) times \$1,075,876.00 equals \$53,793.80. The bid deposit requirement is \$70,000.00. Therefore, the bid is considered non-responsive and rejected in accordance to page R-3,

paragraph 15 of the Bidding Requirements and Instructions to Bidders. The Director of Procurement and Materials Management has informed Dahme Mechanical Industries, Inc., of this action.

The third low bidder, Mechanical, Inc., offered 53% MBE participation, 1.9% WBE participation and MBE credits to satisfy the SBE goal but did not request a waiver for the WBE shortfall. Therefore, in accordance with the Affirmative Action Interim Ordinance Appendix D under Section 13, Compliance Review (a) (ii), Mechanical, Inc. failed to commit in its Utilization Plan to WBE participation equal to or greater than the utilization contract goals for WBE participation and, therefore, their bid is declared non-responsive. The Director of Procurement and Materials Management has informed Mechanical, Inc., of this action.

Meccon Industries, Inc., the lowest responsive and responsible bidder, is proposing to perform the contract in accordance with the specifications.

The estimated cost for this contract was \$1,400,000.00, placing the bid of \$1,593,000.40, approximately 14 percent above the estimate.

Meccon Industries, Inc., is in compliance with the Affirmative Action Interim Ordinance 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 Minority Business Enterprise (MBE), and 9 percent Women Business Enterprise (WBE) and the bidder offers MBE and WBE participation to satisfy their Small Business Enterprise (SBE) goals.

Meccon Industries, 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: pipefitters, laborers, operating engineers, plumbers, insulators and teamsters. The list of trades is not intended to confer any rights or jurisdiction upon any union or unions.

In view of the foregoing, it is recommended that the Director of Procurement and Materials Management be authorized to award Contract 12-932-21 to Meccon Industries, Inc., in an amount not to exceed \$1,593,000.40, subject to the contractors furnishing a performance bond in form satisfactory to the Law Department and approved by the Director of Procurement and Materials Management.

The tentative start date of this contract is July 24 2014, which is 14 days after award, and contractor shall complete all work by December 31, 2015.

Funds for the 2014 expenditure in the amount of \$269,000.00 are available in Account 201-50000-645750. The estimated expenditure for 2015 is \$1,324,000.40. Funds for the 2015 expenditure are contingent on the Board of Commissioners' approval of the District's budget for that year.

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 July 10, 2014

Attachment