



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 OCTOBER 16, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to award Contract 11-889-5F, Streambank Stabilization Projects for Higgins Creek and McDonald Creek, to Industria, Inc., in an amount not to exceed \$2,445,787.00, Account 501-50000-645720, Requisition 1380227

Dear Sir:

On June 19, 2014, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids, Contract 11-889-5F, Streambank Stabilization Projects for Higgins Creek and McDonald Creek.

In response to a public advertisement of July 16, 2014, a bid opening was held on August 26, 2014. The bid tabulation for this contract is:

INDUSTRIA, INC.	\$2,445,787.00
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Seven hundred and thirty (730) companies were notified of this contract being advertised and thirty-one (31) companies requested specifications.

Industria, Inc., the sole bidder, is proposing to perform the contract in accordance with the specifications. The estimated cost for this contract was \$1,592,117.00, placing the bid of \$2,445,787.00, approximately 54 percent above the estimate.

The Director of Procurement and Materials Management has reviewed the bidders' list for this contract, and is satisfied that the market for this service has been adequately solicited. A planholders' survey revealed the following reasons for not bidding: the affirmative action goals were too high for this contract because of the specialty work that was required; the site was problematic to access; and more work available elsewhere.

After a thorough investigation of the bid, the District believes that the discrepancy between the engineer's estimate and the sole bid is due to the following factors, which were not taken into account in the engineer's final estimate:

- A shortage of qualified firms to perform the work under the complex site constraints.
- The estimate understated the risk associated with performing the work within close proximity to overhead utilities.
- The estimate understated the possible difficulties associated with performing the work with heavy machinery with limited access due to existing buildings.
- The estimate understated the labor necessary to perform the work under the complex site constraints.

The above factors could have increased the cost by as much as 50% above the engineer's estimate.

Industria, 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 (MBE), 10 percent (WBE) and the bidder offers MBE and WBE credits to satisfy SBE participation. In addition, the Bidder is an MBE.

Industria, Inc. has executed the Multi-Project Labor Agreement (MPLA) certificate as required. It is anticipated that the following construction trades will be utilized under this contract: laborers, carpenters and operating engineers. The list of construction trades is not intended to confer any rights or jurisdiction upon any union or unions.

The contract will require approximately sixteen (16) 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 11-889-5F to Industria, Inc., in an amount not to exceed \$2,445,787.00, 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 estimated completion date is within 370 calendar days after approval of Contractor's Bond.

Funds are available in Account 501-50000-645720.

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 October 16, 2014

Attachments