



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 SEPTEMBER 19, 2019

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authority to award Contract 17-842-3H, Modifications to TARP Control Structures & Drop Shafts, SSA and CSA, to IHC Construction Companies, Inc., in an amount not to exceed \$2,997,000.00, plus a five (5) percent allowance for change orders in an amount of \$149,850.00, for a total amount not to exceed \$3,146,850.00, Account 401-50000-645600, Requisition 1518102

Dear Sir:

On April 18, 2019, the Board of Commissioners authorized the Director of Procurement and Materials Management to advertise for bids Contract 17-842-3H, Modifications to TARP Control Structures & Drop Shafts, SSA and CSA.

In response to a public advertisement of May 8, 2019, a bid opening was held on August 27, 2019. There was one bid received in response to this advertisement, listed as follows:

IHC Construction Companies, Inc.	\$2,997,000.00
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Six hundred two (602) companies were notified of this contract being advertised and fifty-seven (57) companies requested specifications.

IHC Construction Companies, Inc., the sole bidder, is proposing to perform the contract in accordance with the specifications. The estimated cost range for this contract is \$2,000,000.00 to \$2,400,000.00, placing their bid of \$2,997,000.00 above the estimate cost range. The bid submitted by IHC Construction Companies, Inc., is approximately 24.9% above the higher end of the estimated cost range.

The reasons for the discrepancy between the estimated cost and bid prices are the result of various factors. Costs for mobilization are likely to be more than originally estimated because of the numerous sites of work throughout the county. Additionally, the costs for louver installations at various TARP shafts were underestimated as a result of late requirements for traffic control and site restoration imposed by right-of-way grantors after the cost estimate had been established as well as uncertainty in the prices for the steel grating due to potential tariffs.

IHC Construction Companies, Inc., is in compliance with the Affirmative Action Ordinance, Revised 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, 3 percent VBE and bidder offers MBE credits to satisfy SBE participation.

IHC Construction Companies, Inc., has executed the Multi-Project Labor Agreement (MPLA) Certificate as required. It is anticipated that all construction trades will be utilized under this contract, with the exception of boilermaker, brick mason, construction machinist, elevator constructor, iron worker ornamental, marble setter,

and terrazzo worker. The list of construction trades is not intended to confer any rights or jurisdiction upon any union or unions.

The contract will require approximately thirty (30) 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 17-842-3H to IHC Construction Companies, Inc., in an amount not to exceed \$2,997,000.00, plus a five (5) percent allowance for change orders in an amount of \$149,850.00, for a total amount not to exceed \$3,146,850.00, 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 contract will commence upon approval of the Contractor's Bond and all work will be completed within 400 calendar days.

Funds are available in Account 401-50000-645600.

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 September 19, 2019

Attachments