



Item: Construction Contract Award: Great Falls Wastewater Treatment Plant
DAFT Rehabilitation – Phase 2, Office File 1457.9

From: Engineering Division

Initiated By: Public Works Department

Presented By: David Dobbs, Acting Public Works Director

Action Requested: Consider Bids and Award Construction Contract

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (award/not award) a contract in the amount of \$1,204,450.00 to Swank Enterprises for the Great Falls Wastewater Treatment Plant DAFT Rehabilitation – Phase 2, and authorize the City Manager to execute the construction contract documents.”

2. Mayor requests a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation: Approve construction contract award.

Summary: This project will address infrastructure improvements at the Wastewater Treatment Plant that had been recommended by the facility plan and further defined by a study done by NCI Engineering Co. (NCI). This project will replace and upgrade components inside the Dissolved Air Flotation Thickener (DAFT) Building. The DAFT Building was constructed in 1974 and a majority of the equipment being replaced is original.

Background:

Significant Impacts

The existing equipment inside the DAFT Building is requiring increasing maintenance to keep this critical component of the treatment system in service. The current heating and ventilation system does not meet existing standards for air circulation in a corrosive environment.

Workload Impacts

NCI completed the project design and will perform construction inspection and contract administration duties. City Engineering Staff and Veolia Staff will assist with project administration duties.

Project Work Scope

Inside the DAFT Building, wastewater is clarified by removing suspended solids (sludge). The removal of suspended solids is achieved by introducing compressed air into the bottom of the tanks. The air bubbles adhere to the solids and cause the solids to float to the top of the basin. Equipment then skims off the solids. Solids are then sent to the anaerobic digesters and the water is sent back to the plant head works for further treatment.

This construction project comprises several different elements including 1) Rehabilitation and painting of the existing concrete flotation basins; 2) Replacing the existing sludge pumps, basin flotation equipment, air compressors, piping, valves, and other miscellaneous treatment equipment; 3) Replacing the building heating and ventilation system along with other mechanical and electrical improvements; and 4) Resurfacing interior walking surfaces, replacing doors, replacing 11 halogen lights with new LED lighting fixtures, adding one additional LED lighting fixture, and painting the interior building walls and roof.

Evaluation and Selection Process

Three bids were received and opened for this project on February 17, 2016. The bids for the project, including the selection of cost effective equipment and the additive item to paint the interior building walls and the ceiling, ranged from \$1,204,450.00 from Swank Enterprises (Swank) to \$1,669,600.00 from Sletten Construction (Sletten) and \$2,059,300.00 from EDK Engineering and Construction (a California company). The Engineer's Estimate provided by NCI was \$1,222,360.00. Swank submitted the low bid, submitted a bid bond and executed all the necessary bid documents. Bid bonds are provided by bidders to expressly agree that if the bidder is awarded the contract, it will enter into a formal contract at the bid price.

Conclusion

City staff recommends awarding the construction contract to Swank in the amount of \$1,204,450.00. Swank has previously performed well on City projects including the newly completed major upgrades to the Wastewater Treatment Plant.

It should be noted that on February 18, Swank requested to withdraw their bid without penalty due to a spreadsheet linking error. On February 19, NCI responded to Swank stating that the Contract Documents do not allow a Bidder to withdraw their bid after the date (February 17) and hour (3:00 pm) set for the opening.

There are several reasons for awarding the bid to Swank. The total value of Swank's bid bond is \$116,900.00. If the City does not award the project to Swank, the City would not be able to collect on Swank's bid bond to partially offset the cost difference between the lower bid (Swank) and the next bidder (Sletten), which is \$465,150.00. If the City does not award the project and instead rebids the project, the City would not be able to collect

on Swank's bid bond to offset the cost associated with rebidding the project (estimated at between \$11,000 and \$15,000) and the cost difference between the new low bid and the current low bid. In a rebid situation, it is likely the new low bid will be closer to Sletten's current bid price than Swank's, since the bid amounts are now public; in such case, the processes to ensure confidential competitive bids would be defeated.

Fiscal Impact: This contract will be funded through Capital Sewer Funds.

Alternatives:

1. The City Commission could vote to deny award of the construction contract to the lowest responsible bidder and instead award the contract to the next low bid which is \$465,150 higher. This would preclude collection on the \$116,900.00 bid bond.
2. The City Commission could vote to re-bid the project. The direct cost to rebid would be between \$11,000 and \$15,000. It is impossible to predict what a future low bid would be, but since the current bidders know their competition's prices, new bids will likely be somewhere between the current bid prices. The higher bid price would be absorbed by the City.
3. The City Commission could vote to postpone bid award. However, it is unlikely that additional pertinent information will be received.
4. The City Commission could vote to cancel the project. The aging equipment carries an increasing maintenance cost. Failures are increasingly likely. Major failures could place the City at risk of violating discharge permit limits.

Concurrences: Per the attached letters numbered 2 and 4, NCI recommends awarding the construction contract to Swank Enterprises.

Attachments/Exhibits:

1. Bid tabulation
2. Recommendation of Award Letter from NCI
3. Great Falls WWTP – DAFT Rehab. – Phase 2 Letter from Swank Enterprises
4. Response Letter from NCI to Swank.

February 18, 2016

Jesse Patton, Project Engineer
City of Great Falls
P.O. Box 5021
Great Falls, MT 59436

RE: WW TP DAFT Rehab-Phase 2, OF 1457.9
Recommendation for Award
(Swank Enterprises, base bid amount \$1,169,000)

Dear Mr. Patton,

Bids were taken for rehabilitation of the City's WW TP DAFT facility on February 17, 2016.

Three (3) bids were submitted from contractors: Swank Enterprises - Valier, Sletten Construction – Great Falls, EDK Engineering & Con. – Bernuda Dunes, CA. There was two other General Contractors on the plan holders which did not submit bids.

Swank Enterprises submitted the lowest base bid at \$1,169,000. Second low bid was Sletten Construction at \$1,637,100. EDK submitted a bid of \$2,001,300. NCI's estimated bid price was \$1,182,360.

All bidders submitted all forms and performed proper bidding procedures. The bids have been checked for math and reasonability of the contractor's bid units and extensions and all the bids were acceptable. There was one minor irregularity in the bids, EDK had used \$1,677,300 as the amount of their total base bid. After recompilation of their unit items, the amount of their total base bid is corrected to \$2,001,300.

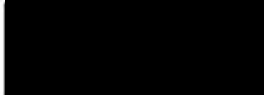
The bid form had 3 additional bid items beyond the total base bid. The first item is was to provide the option to additionally coat the interior walls and ceiling of the DAFT facility building. Swank's amount for the paint additive was \$37,450. The second item was an option to add or deduct to install substituted floatation equipment by Envirodyne Systems. Swank's bid amount to install the Envirodyne equipment would be an addition of \$81,000. The third item was an option to add or deduction to install substituted Netzsch sludge pumps. Swank's bid amount was a deduction of \$2,000. It is the opinion of this office that the \$37,450 amount for additional painting is reasonable. NCI had estimated \$40,000 for the additional painting. Painting of the walls and ceiling were in the original work scope and then became an additive as the project budget was increasing. We would recommend not accepting the Contractor's \$81,000 added amount for the substituted Envirodyne floatation equipment option primarily due to the cost. We would recommend accepting the Contractor's \$2,000 deduction for the substituted Netzsch sludge pumps option.

The bid submitted by Swank Enterprises even though substantially low is reasonably close to the Engineer's estimate and is of a value that the ability of the Contractor to perform is not a concern. Swank has recently completed a major improvements project at the WW plant. Their work has been completed and they meet City (and Veolia's) expectations.



Award of the contract to Swank for the rehabilitation project at the DAFT facility, we feel would be in the best interest of the City of Great Falls. NCI recommends awarding to Swank for the \$1,169,000 base bid amount, plus including additive additional painting for \$37,450, not accepting the Envriodyne equipment, and to accept the \$2,000 deduction for the Netxsch sludge pumps. The total contract value would be \$1,204,450.

Sincerely,

A black rectangular redaction box covers the signature. A blue ink flourish extends from the right side of the box.

Jake Neil, PE
NCI Engineering Co.

Swank Enterprises / General Contractors

Valier Office
P.O. Box 568
615 Pondera Avenue
Valier, MT 59486



February 18, 2016

City of Great Falls
2 Park Drive South
Great Falls, MT 59403

Re: Great Falls WWTP – DAFT Rehab. – Phase 2
O.F. Number 1457.9

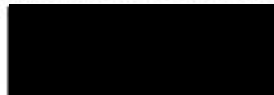
Gentlemen,

We regret to inform you that we discovered an error was made in preparation of our bid for the subject project, which was submitted at 3:00 pm yesterday. A spreadsheet linking error caused a portion of the 13200 Daft Thickening Equipment to be left out of our bid, on line item 305. I have enclosed a copy of our estimate with commentary describing the mistake.

We respectfully request permission to withdraw our bid without penalty, and apologize for any inconvenience that has caused. Please feel free to contact me with any questions or concerns.

Yours very truly,

SWANK ENTERPRISES



Jim Lake
Vice President

Enc.

Job Name: Great Falls WWTP DAFT Rehabilitation - Phase II
 Location: Great Falls, MT
 Estimator: T. Lake
 Job Desc: Replacement of DAF Equipment

Contractor: Swank Enterprises
 Engineer: NCI - Great Falls
 Checked by:

Date: 2/1/2016
 Bid Date: 2/17/2016

Bid Item No.	Description	Direct Costs	GC Allocation	OHP & GRT	Total Amount	Unit Cost
101	Damp Proof Coating Basins	\$141,050	\$2,667	\$8,982	\$152,300	
102	Crack Repair	\$3,500	\$2,667	\$385	\$6,900	\$69
103	Coating MEP Components	\$48,250	\$2,667	\$3,182	\$57,000	
104	Replacing Exterior Doors	\$13,178	\$2,667	\$990	\$18,800	
105	Modify Platform and Support at H&V-1	\$6,697	\$2,667	\$585	\$10,300	
106	Additive Alternate - Coat Interior of Exterior Walls	\$35,000	\$0	\$2,188	\$37,450	

Bid Item No.	Description	Direct Costs	GC Allocation	OHP & GRT	Total Amount
201	Replace Moyno PC Pumps	\$55,708	\$2,667	\$3,648	\$62,200
202	Replace AHU #5/PRV and New EF	\$106,965	\$2,667	\$6,852	\$119,000
203	Replace Hot Water UH's (15)	\$35,700	\$2,667	\$2,398	\$41,000
204	Replace Air Compressors (2)	\$47,057	\$2,667	\$3,108	\$59,000
205	Replace Internal Roof Drainage Piping	\$15,000	\$2,667	\$1,104	\$19,000
206	Replace Saturation Tank Gate Valves	\$3,155	\$2,667	\$364	\$6,626
207	Replace Plug Valves (headworks and tailworks) (9)	\$12,777	\$2,667	\$965	\$16,922
208	Replace Flow Covers (17)	\$13,965	\$2,667	\$1,040	\$18,194

Bid Item No.	Description	Direct Costs	GC Allocation	OHP & GRT	Total Amount
301	Replace Modify Upper Sweeps, Flight Wipes, Skimmer Support, Drives and Rails	\$103,380	\$2,667	\$6,628	\$126,800
302	Replace Modify Lower Flights, Chains, Shafts, and Drives	\$105,530	\$2,667	\$6,762	\$129,572
303	Replace/Repair All Through Wall Sleeves	\$86,154	\$2,667	\$5,551	\$105,123
304	Replace Bottom Augers and Drives	\$82,420	\$2,667	\$5,318	\$91,271
305	All Other Items with Floation Equipment	\$6,455	\$2,667	\$570	\$10,158

Bid Item No.	Description	Direct Costs	GC Allocation	OHP & GRT	Total Amount
401	Replace (E) Lights	\$6,700	\$2,667	\$585	\$9,985
402	MCC Modifications	\$2,250	\$2,667	\$307	\$5,200
403	Control Modification	\$2,400	\$2,667	\$317	\$12,400
404	Electrical Conduit Repair	\$4,190	\$2,667	\$429	\$9,400
405	General Electrical	\$3,500	\$2,667	\$385	\$11,849

Bid Item No.	Description	Direct Costs	GC Allocation	OHP & GRT	Total Amount
501	Miscellaneous Work				\$70,000

Base Bid Total **\$1,169,000** \$905,980 \$61,342 \$60,458 \$1,169,000

Base Bid + Alternate 1

\$1,206,450

Job Name: Great Falls WWTP DAFT Rehabilitation Phase II
 Location: Great Falls, MT
 Estimator: T. Lake
 Job Desc: Plant Retrofit

Contractor: Swank Enterprises
 Engineer: NCI - Great Falls
 Checked by:

Date: 1/27/16
 Bid Date: 2/17/16

Description	MATERIALS			LABOR			Material	Labor	Subcontract	Notes
	Quantity	Units	Price	Quantity	Units	Price				
Equipment										
11150 - Progressive Cavity Pumps										
Item 201 - Progressive Cavity Pumps	2	ea		2	ea	-	35,171	-	-	Moyno
Pressure Sensors?	2	ea		2	ea	-				
11250 - Air Compressors										
Ingersoll Rand R11i x 145 psi	2	ea	14400	2	ea	-	28,800	-	-	Air Compressors Direct
Ingersoll Rand Xe-70 Controller	2	ea	Inc	2	ea	-	Inc	-	-	Swank Plug
Ingersoll Rand ModBus RTU	1	ea	750	1	ea	-	750	-	-	
Belden 9841 Cable	100	lf	4.75			-	475	-	-	
Startup	1	ls	3500	1	ls	-	4,500	-	-	
Freight	1	ls	2500			-	2,500	-	-	
									396,000	Evoqua
13200 - Thickening Equipment										
Item 301 - Upper Sweeps							79,200	-	-	
Item 302 - Lower Sweeps							79,200	-	-	
Item 303 - Through Wall Sleeves							79,200	-	-	
Item 304 - Bottom Auger Drives							79,200	-	-	
Item 305 - All other Floatation Equip							79,200	-	-	
Suppliers										
081100 - Hollow Metal Doors & Frames										
Item 104 - Doors & Frames							4,202	-	-	DHU
Glass?							Inc	-	-	
Subcontractors										
08200 - OHC Doors										
Item 104									7,971	Door Systems of MT
09900 - Paint & Coatings										
Item 101 - Basin Dampproofing									140,000	T&L
Item 103 - Coat MEP									48,250	
Item 106 - Alternate - Wall Coatings									35,000	
15400 - Plumbing										
Item 203 - HWUH's									35,700	MW
Item 205 - Rain Drain Piping									15,000	
15700 - HVAC										
Item 202 - AHU, EF, PRV									105,215	Brennan
Item 204 - Air Intake Ductwork									Inc	
16000 - Electrical										
Item 401 - Replace (E) Lighting									6,700	Cascade
Item 402 - MCC Modifications									2,250	
Item 403 - Control Modifications									9,000	
Item 404 - Electrical Conduit Repair									5,286	
Item 405 - General Electrical									18,764	

February 19, 2016

Jim Lake, Vice President
Swank Enterprises
P.O. Box 568
Valier, MT 59486

RE: WWTP DAFT Rehab-Phase 2, OF 1457.9
Response to Swank letter dated 2-18-2016

Dear Mr. Lake,

The City of Great Falls, Public Works/Engineering has requested NCI to respond to your letter on the 18th requesting permission to withdraw your bid without penalty. In summary, Swank Enterprises submitted a responsive bid. After due consideration and consultation between this office and City officials, NCI is recommending the City of Great Falls award the above referenced project to Swank Enterprises. The request for withdrawal of your bid without consequence is respectfully declined. NCI provides this opinion based on the language provided within the Contact Documents that were provided for all bidders to ultimately arrive at a bid on the DAFT facility rehabilitation.

1. Section 00200, page 3, paragraph, **WITHDRAWAL OF BID**: No Bidder may withdraw any bid for a period as specified in the Request for Bid after the date and hour set for the opening declared herein. Prior to that time, Bidder may withdraw a bid by written request. The request to withdraw a bid must be signed in the same manner and by the same person or persons who signed the bid.

This paragraph states a bid can only be withdrawn before the bid date and time of the bid.

2. Section 00200, page 1, paragraph, **BID SECURITY**: To be considered, the bid must be accompanied by a bid security unconditionally payable to the *City of Great Falls* for ten percent (10%) of the total amount of the bid including any and all additive bid amounts. Each Bidder shall expressly covenant in the bid that if the Bidder is awarded the contract, the Bidder will, within 15 days after the bid is awarded, enter into a formal contract and give an approved performance bond and a labor and materials payment bond to secure the performance of the terms and conditions of the contract. Bid security must be provided in a form specified in §18-1-203, MCA, which includes, but is not limited to, certified check, cashier's check, bank draft, bid bond, guaranty bond, or surety bond. Bid security through a bid, guaranty or surety bond must be issued by a surety company authorized to do business in the State of Montana. The bid security protects and indemnifies the City against the failure or refusal of the successful Bidder to timely enter into the contract.

This paragraph states the bid security protects and indemnifies the City against the failure or refusal to the successful Bidder to timely enter into the contract.



We feel it is Contractor's obligation to enter into an agreement with the City if their bid is lowest and responsive. The issue of allowing a Contractor to withdraw a bid without penalty does not provide a uniform procedure for all Contractors when they are submitting a bid. We look forward to a successful project construction with Swank Enterprises. We see the familiarity of your firm with the Great Falls Wastewater Treatment Plant as a benefit to the City of Great Falls.

Sincerely,



NCI Engineering Co.

cc: Jesse Patton, P.E.
City of Great Falls

Dave Dobbs, P.E.
City Engineer