



Financial Services Group
Procurement
 735 Randolph Street, Suite 1508
 Detroit, Michigan 48226
 Phone: 313-964-9157

Procurement Report

Date: October 24, 2018
To: Sue McCormick, Chief Executive Officer
From: Ron Davis, Procurement Manager
Re: Procurement Report

General Information			
Contract Number:	GLWA-CON-252	Project Owner:	Brian VanHall
Contract Title:	Springwells Water Treatment Plant Steam, Condensate Return, and Compressed Air Improvements		
Vendor:	Clark Construction		
Budget:	Capital Project		
Contract Length:	42 Months		

Procurement Method

Competitively bid – Request for Bid (RFB) Lowest responsive and responsible vendor			
Advertised:	4-30-2018	Addendums released:	8
Distributed to:	396	Downloaded by:	77
Response due date:	8-2-2018	Responses received:	3

Cost Schedule

Clark Construction	
Description	Cost
Task 1 – Mobilization-price shall not exceed 5% of total price	\$ 542,802.50
Task 2 – General Conditions	2,296,231.74
Task 3 – Bonds, Insurances, and Permits	424,459.73
Task 4 – Demolition and Disposal	1,247,280.00
Task 5 – Structural and Architectural	914,576.00
Task 6 – Mechanical Improvements for Deaerator, Surge Tank, and Appurtenances	414,395.54
Task 7 – Mechanical Improvements for Steam and Condensate: High and Low Lift Building	2,986,532.10
Task 8 - Mechanical Improvements for Steam and Condensate: All other areas not covered by bid item numbers 6 and 7	9,688,354.24
Task 9 - HVAC Improvements: Drainage Pump House, Maintenance Office Build-out, Chemical Building Switch Room	2,350,005.74
Task 10 - Mechanical Improvements for Sump Pumps and Drain Line Repairs	52,785.00
Task 11 - Mechanical Improvements for Compressed Air System	824,827.50
Task 12 - Mechanical Improvements for Natural Gas System	181,102.60
Task 13 - Electrical	299,515.00



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Cost Schedule (continued)	
Description	Cost
Task 14 - Project Closeout and Final Clean Up	5,000.00
Task 15 - Demobilization	0.00
Task 16 - Asbestos Abatement, Handling and Disposal of Asbestos Containing Materials (ACM) insulation on pipe associated with unit heaters in High and Low Lift Building. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	46,500.00
Task 17 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe fitting associated with unit heaters in High and Low Lift Building. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	24,750.00
Task 18 - Asbestos Abatement, Handling and Disposal of ACM associated with wall penetrations with unit heaters in High and Low Lift Building. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	4,300.00
Task 19 - Asbestos Abatement, Handling and Disposal of ACM transite panels associated with unite heaters in High and Low Lift Building. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	4,550.00
Task 20 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe in 1930 Switch House. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	5,040.00
Task 21 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe fittings in 1930 Switch House. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00	1,500.00
Task 22 - Asbestos Abatement, Handling and Disposal of ACM gaskets in 1930 Turbine House and 1930 Filter Building. Include monitoring by independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	6,500.00
Task 23 - Asbestos Abatement, Handling and Disposal of ACM associated with wall penetrations in 1930 Maintenance Building, 1930 Administration Building, and 1930 Filter Building. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required b Specification Section 02 82 00.	1,290.00
Task 24 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe in the following locations: Low Lift north and south chambers adjacent to pipe duct banks. Switch house Mechanical Shaft, Plenum Chamber, and bottom of Shaft north of Room 3 on sht. MB-111. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	12,000.00



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Cost Schedule (continued)	
Description	Cost
Task 25 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe fittings in the following locations: Low Lift north and south chambers adjacent to pipe duct banks. Switch house Mechanical Shaft, Plenum Chamber, and bottom of Shaft north of Room 3 on sht. MB- D111 Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	2,300.00
Task 26 - Asbestos Abatement, Handling and Disposal of ACM associated with wall penetrations in the following locations: Low Lift north and south chambers adjacent to pipe duct banks. Switch house Mechanical Shaft, Plenum Chamber, and bottom of Shaft north of Room 3 on sht. MB- D111 Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification 02 82 00.	900.00
Task 27 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe in the following locations: Pipe Duct Banks on North and South sides of the Low Lift Pump Station. Tunnel between Chemical Building and Chemical Pit. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	22,500.00
Task 28 - Asbestos Abatement, Handling and Disposal of ACM insulation on pipe fittings in the following locations: Pipe Duct Banks and South sides of the Lift Pump Station. Tunnel between Chemical Building and Chemical Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	2,970.00
Task 29 - Asbestos Abatement, Handling and Disposal of ACM associated with wall and floor penetrations in the following locations: Pipe Duct Banks on North and South sides of the Low Lift Pump Station. Tunnel between chemical Building and Chemical Pit. Include monitoring by Independent 3rd Party Industrial Hygienist, and as required by Specification Section 02 82 00.	650.00
Task 30 - Hazardous Material Abatement, Handling and Disposal, of lead and cadmium paint and mercury containing gauges and thermometers. Include monitoring as required by Specification 02 83 00.	11,000.00
Task 31 - Provisional Allowance	1,000,000.00
Task 32 - Trailer Relocation Provisional Allowance	200,000.00
Totals	\$23,601,341.69

Provisionary Allowance is an amount included in the Contract Price to reimburse the Contractor for the cost to furnish and perform Work that is unforeseen. Any remaining balance upon Final Completion shall be retained by the GLWA and not paid to the Contractor.

Benchmarking was completed by comparing the bids for this project. This analysis confirmed that rates are in competitive range. The rate comparisons and allowances (if any) are illustrated in the attached document labeled bid tabulation.



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There is a significant pricing disparity gap between the lowest bidder and the Engineer's estimate (estimate). Great Lakes Water Authority (GLWA) reviewed all bids and held a meeting with the lowest bidder (Clark Construction) to review their bid and to determine if they were responsible and to confirm that no items were omitted. Clark Construction confirmed that their bid was correct and that they had not missed any items.

However, due to the large disparity between the bid and the estimate, GLWA engaged PMA Consultants via task order (CS-166) to review all bids and to provide an independent third-party analysis. As the first step in this analysis, PMA toured the project facility and reviewed the estimate prepared by the designer. An analysis of the estimate found that the estimate significantly underestimated the difficulty of the project as reflected in the labor productivity, contingencies, and general conditions costs. Furthermore the estimate understated the hourly cost for labor. Adjusting the estimate to account for these items, along with a couple of other relatively smaller items, resulted in a revised total of \$20,118,679.97; compared to an initial estimate of \$12,267,804.00 and a low contractor bid of \$23,601,341.70.

As a second step in the analysis, PMA engaged staff who had not reviewed the contractor bids or the engineer's estimate to perform an independent ground up estimate on the bid documents. The outcome of this effort was a construction estimate of \$25,292,618.15, which is in the range of the bids received for this project.

Other Data Requested by GLWA Board Members

Minority Business Enterprise (MBE): No

Detroit Based Business (DBB): No

Small Business Enterprise (SBE): No

Michigan Based Company: No, has offices located in Michigan

Sub-Contractor(s) List:

Blue Star Demolition (Demolition)

Progressive Mechanical (Mechanical)

Signature Painting (Painting)

JJ Barney Concrete (Concrete)

Rotor Electric (Electrical)

National Environmental Group (Hazardous Abatement)

Vendor Response Survey: N/A



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Litigation

This vendor is not currently nor has been previously involved in any litigation with the GLWA.

Financials

A financial risk assessment was performed by the GLWA via Dun & Bradstreet and was determined that the selected vendor has the financial capacity to perform the tasks under this contract. This information is available for the Board of Directors to review upon request.