



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

Procurement Report

Date: November 17, 2020
To: Sue McCormick, Chief Executive Officer
From: Dan Edwards, Procurement Manager
Re: Procurement Report

General Information			
Contract Number:	1900995	Project Owner:	Jeffrey Dorsey and Ray Zdonkiewicz
Contract Title:	Preventative Maintenance and Repair of Electrical Equipment		
Vendor:	Motor City Electric Co		
Budget:	Operations and Maintenance		
Contract Length:	Three years with two (1) year renewal options		

Procurement Method

Competitively bid – Request for Proposal (RFP) Qualification Based Selection (QBS) – Evaluation Committee			
Advertised:	01-17-2020	Addendums released:	3
Distributed to:	4 prequalify	Downloaded by:	4
Response due date:	03-09-2020	Responses received:	3

Negotiated Cost Schedule

Negotiated costs are summarized below and a detailed tabulation is attached.

Work Area	Original Proposal (One of Two Contracts)	Negotiated Total Cost (One of Two Contracts)	Revised Total Cost (Replace Both Contracts With One)
On-Site Repair Labor	\$915,527.50	\$905,927.50	\$1,807,417.00
Equipment Shop Work	381,000.00	378,000.00	755,280.00
Training	48,000.00	48,000.00	48,000.00
Unit Price Preventative Maintenance (PM) at WRRF	251,244.50	251,244.50	508,079.00
Unit Price PM at CSO Facilities	80,639.85	80,639.85	157,704.00
Unit Price PM at Water Treatment Plants	235,748.50	235,748.50	455,883.00
Unit Price PM at Treated Water Pumping Stations	335,171.00	335,171.00	637,777.00
Allowance for GLWA-Authorized Extra Work	500,000.00	500,000.00	1,000,000.00
Total Base Scope (Three-Year Contract)	2,747,331.35	2,734,731.35	5,370,140.00
Work Added by GLWA During Negotiation	0.00	267,852.00	\$347,340.00
Total Amount (Three-Year Contract)	\$2,747,331.35	\$3,002,583.35	\$5,717,480.00
Renewal Option 1 (Not-to-Exceed)			1,963,001.47
Renewal Option 2 (Not-to-Exceed)			2,021,891.51



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Total Contract (Five Years)	\$9,702,372.98
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Provisionary Allowance is an amount included in the Contract Price to reimburse the Consultant for the cost to furnish and perform Work that is uncertain. Any remaining balance upon Final Completion shall be retained by the GLWA and not paid to the Consultant.

Negotiation Strategy: This procurement was intended to result in two separate unit price contracts, each of which would perform preventative maintenance and repair for equipment within separate portions of the water and wastewater systems. Each contract was to have a 42-month initial term including 36 months of maintenance and repair through substantial completion, followed by six months before final completion to complete reports and close-out the contract. Each contract was also to include up to two one-year extensions.

Upon evaluation of the proposals received it became clear that the prices quoted by the second and third bidders were respectively 78.8% and 102.1% higher than the low bid. (See tabulation below under "Evaluation and Scores.") Consequently, staff determined that instead of entering into a second contract with one of these bidders, it would be in GLWA's interest to focus negotiation on procuring a single favorable contract with the low bidder to perform all of the required work.

During the negotiation, staff confirmed that the low bidder possesses sufficient capability to perform the entire scope of work initially planned for two contracts. Staff also clarified the bid to confirm that all specified work was included and that no errors had been identified in the bid. Assumptions stated in the selected proposal were discussed, resulting in addition of several new unit prices to address types of equipment inadvertently omitted from the initial RFP. An additional unit price was also requested by staff for enhanced testing of motor control centers (MCCs) at CSO facilities in lieu of MCC inspections initially specified.

Negotiated contract quantities were then increased to provide for work initially intended to be included in both contracts, and appropriate unit price reductions were negotiated commensurate with the expanded scope of work. The result was a cost of \$5,717,480.00 for the initial contract term to provide work that that was initially intended to be included in two contracts. This negotiated amount compares favorably with the cost of \$7,658,504.88 that would otherwise have resulted for two separate contracts for the initial term based on the two lowest bids received. Finally during negotiation, not-to-exceed amounts were added to provide funding for the two one-year contract extensions, bringing the total contract price to \$ 9,702,372.98.



The attached detailed cost tabulation shows the development of the negotiation from the initial low bid of \$2,747,331.35 for one of two contracts during the initial contract term, followed by negotiated unit price adjustments and addition of new unit price items for one of two contracts resulting in a price of \$3,002,583.35. Finally, to replace the two planned contracts with a single contract, quantities were increased, and further unit price reductions negotiated, resulting in an amount of \$5,717,480.00 for the base contract term. This amount increases to \$9,702,372.98 when not-to-exceed funding is added for two potential one-year extensions.

Benchmarking was completed by comparing the proposals for this project. This analysis confirmed that overall, rates offered by the selected proposer are in competitive range and very favorable. The rate comparisons and allowances (if any) are illustrated in the attached document labeled cost tabulation.

Evaluation and Scores

Evaluation Committee: (Designation – Organization)
A – Team Leader - Water Resource Recovery Facility
B – Manager - Water Resource Recovery Facility
C – Manager - Water and Field Services
D – Team Leader - Water and Field Services
E – Team Leader - Water and Field Services
F – Team Leader - Water and Field Services

The Evaluation Committee independently reviewed and scored the proposals in accordance with GLWA’s policy. The rankings are below.

Maximum Score Possible:		
Vendor (Highest to lowest score)	Score	Proposed Cost before Negotiations (One of Two Contracts – Initial Contract Term)
Motor City Electric Co.	92.89	\$2,747,331.35
Premier Power Maintenance	55.90	\$4,911,173.53
Birclar Electric	54.80	\$5,551,500.50



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Other Data Requested by GLWA Board Members

Minority Business Enterprise (MBE): yes
Detroit Based Business (DBB): yes
Small Business Enterprise (SBE): yes

Sub-Contractor(s) List:

- Ancona Controls – Battery Load Bank Testing
- Electric Motor Services, LLC – Large Motor Testing

Vendor Response Survey: N/A

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.

Previous Contract

Previous contract holder: Motor City Electric Co.

The previous contract, 50817, Maintenance and Repair of Various Electrical Equipment, was for the period of 12/1/2015 through 11/30/2020, for \$11,398,660. The contract amount differences between the two contracts is \$1,696,287.02.