



Legislation Text

File #: 2018-641, Version: 1

RFB 1109 Chiller Replacement - De-Cal, Inc.

Agenda of: March 14, 2018
Item No.: **2018-641**
Amount: \$1,049,240.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: March 9, 2018

RE: **RFB 1109 Chiller Replacement - De-Cal, Inc.**

MOTION

Upon recommendation of Suzanne Coffey, Chief Planning Officer, Interim Chief Operating Officer - Wastewater, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA) authorizes the Chief Executive Officer (CEO) to **enter into an Agreement for Chiller Replacement with De-Cal, Inc. at a cost not to exceed \$1,049,240.00** and authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

This is a replacement needed for an outdated, poorly operating current chiller that is not adequately providing air conditioning for the New Administration Building at the Water Resource Recovery Facility. The chiller system was installed in 1995 and its operation has been deteriorating over the last five years. The current chiller runs on gas, which causes the gas bills to be high during the winter and summer months. The scope of improvements include replacement of the 300-ton gas fired absorption chiller/heater with two modular 255-ton electric chillers and two high-efficiency gas fired 1,500 MBH heating hot water boilers. In addition, six pumps serving the heating systems and chilled water systems will also be replaced. A plate and frame heat exchanger will be required to isolate the new chillers from the existing cooling tower system.

JUSTIFICATION

Procurement Method

The Procurement Group of Supply Chain Operations Team, competitively bid this project to obtain the lowest responsive and responsible vendor.

Advertised: November 13, 2017
On BidnetDirect (MITN) - Request for Bid (RFB) 1109

Distributed to: 347 vendors

Downloaded bid documents: 53 vendors

Response due date: December 6, 2017

Responses received: Five (5) vendors submitted bids

Evaluation Method: Request for Bid (RFB) - Lowest responsive and responsible bid tabulation.

<u>Vendor (Lowest to Highest)</u>	<u>Cost</u>
De-Cal, Inc.	\$1,049,240.00
Professional Thermal Systems, Inc.	\$1,215,000.00
R.W. Mead & Sons, Inc.	\$1,244,622.00
Marble Mechanical	\$1,355,800.00
Dunbar Mechanical, Inc.	\$2,993,117.90

The price is firm for the term of the agreement. This includes a 10% contingency that will only be spent upon the GLWA Project Manager's approval.

Litigation

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

Financials

A financial risk assessment was performed by Supply Chain Operations via Dun & Bradstreet. It 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.

Project Estimate

The project was estimated to cost \$1,000,000.00. The expected start date is April 1, 2018.

BUDGET IMPACT

The chiller replacement is budgeted for FY 2018 as HVAC replacement in the Improvement and Extension Capital Outlay over \$5,000 account for the Wastewater Operations (892221) cost center. The table below represents the financial plan for this project.

Capital Outlay - Wastewater Operations	FY 2018	FY 2018 Amended
5404-892221.000-901100-SEWR01	\$ 1,000,000.00	\$1,049,240.00

The forecast of this was \$1,000,000.00. The remaining \$49,240.00 will be a budget amendment from the unallocated reserve in the Improvement & Extension Fund. This will only be necessary if the full 10% contingency is utilized.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

Lower utility costs are expected, however, the savings has not yet been determined.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its March 14, 2018 meeting. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.