



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 4.e

Title: Recommendation to Award the Bid and Approve Purchase Order for Ohio Avenue Water Treatment Facility VFD Replacement

Presenter: Tim Wilson

Meeting: Government Services Committee

Date: October 24, 2016

Proposed Cost: \$79,500

Budgeted Amount: \$100,000

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

The Water Division currently has four motor control panels called VFD's at the Ohio Avenue Water Treatment Plant and Pump Station (Well #8). These VFD's control the four large booster pumps that maintain water pressure in the distribution system and are a large part of the fire protection system in the surrounding industrial area. The VFD equipment dates back to the early 1980's and is need of replacement.

On August 3rd, 2016 the City advertised for bids to replace the three VFD's at this station. A pre-bid meeting was held on-site on August 22nd and four firms were present and expressed interest in the project.

On September 12 the City opened bids for the replacement of the above referenced equipment. The City only received one bid from Newcastle Electric in the amount of \$150,000 which exceeded the budget amount of \$100,000. The Public Works staff followed up with the three firms that attended the pre-bid meetings and found that two were unable to bid because they had been awarded other jobs and the remaining bidder decided not to bid because of time constraints.

By reconfiguring some of the larger components in the station, value engineering the project and negotiating with Newcastle Electric staff was able to secure a base bid amount of \$79,500.

The key savings the in value engineering process and contractor negotiation process were:

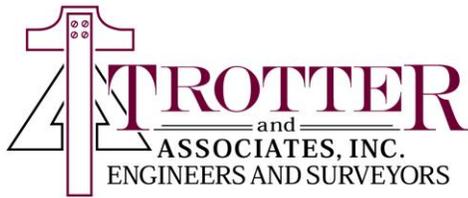
- Contractor wanting to expand business to the Fox Valley area
- Changes in design, by downsizing control cabinet space and removing individual electrical service feeds. Also the contractor lowering overhead cost. Estimated savings (\$50,000)
- Contractor negotiated cost with VFD drive manufacturer and lowering overhead cost. Estimated saving (\$20,500)

Attachments *(please list):*

*Trotter and Assoc., Inc. letter dated 9/14/16 *Newcastle updated base bid dated 9/14/16

Recommendation/Suggested Action *(briefly explain):*

Recommendation to award bid to Newcastle Electric for the Ohio Avenue Water Treatment Facility VFD replacement in the negotiated base bid amount of \$79,500.



September 14, 2016

Mr. Tim Wilson
Public Works Manager
Environmental Services
City of St. Charles
Two East Main Street
St. Charles, Illinois 60174

Subject: City of St. Charles – Ohio Avenue Water Treatment Facility VFD Replacement

Dear Mr. Wilson,

The bid advertisement for the City of St. Charles – Ohio Avenue Water Treatment Facility VFD Replacement was advertised in the Daily Herald on Wednesday, August 3rd, 2016. The City received bids until 11:00 a.m. on Monday, September 12, 2016 in accordance with the advertisement. While there were four qualified plan holders, only one bid was received, from Newcastle Electric, Itasca Illinois, for \$150,000.00, which exceeded the Engineer's estimate off \$116,840.00.

Trotter and Associates contacted the plan holders who had not submitted bids, in order to determine the reason they had not bid and to determine timing for rebid of the project. The first planholder contacted who did not submit a bid was unable to complete his submittal in time. The remaining two planholders stated that in the intervening time between acquiring the plans and the bid date, they had successfully bid other projects and would not have sufficient resources or manpower to successfully complete the work. It is therefore suggested that if the City desires to rebid the project, a delay of 3 to 6 months may lead to increased interest from bidders.

Newcastle Electric has proposed a modification to the scope of work, in that they would supply three independent enclosed drives instead of three drives installed in a single MCC cabinet for a discounted price of \$79,500. This offer equates to a reduction in cost from the bid amount of \$70,500. Newcastle Electric stated that the \$150,000 bid amount included a six section MCC cabinet, which was needed to house the three large drives and provide necessary cooling. The six section cabinet added approximately \$50,000 to the bid price. The additional \$20,500 in savings were negotiated with the drive manufacturer in order to incentivize the City to proceed with the project.

A signed written proposal for the modified scope of work by Newcastle Electric is attached, as is "Submittal for Approval" Eaton Corporation document CG840902X6K1, which details the proposed scope of supply.

Trotter and Associates has worked with Newcastle Electric in the past and we are confident that they are qualified to perform the work.

Since the quality, functionality, features and accessories provided will remain as specified in the contract documents, and only the packaging of the equipment differs, Trotter and Associates is comfortable with the work scope modification. It is our opinion that the pricing in the follow up offer by Newcastle is an exceptional value, and we recommend that the City accept the modified proposal.

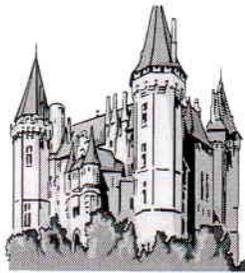
*City of St. Charles – Ohio Avenue Water Treatment Facility VFD Replacement
Recommendation to Award
September 14, 2016
Page 2 of 2*

Acceptance of the modified proposal will accomplish the City's goals for significantly less than the anticipated cost. If you should have any questions or wish to discuss this further please contact me at your earliest convenience.

Sincerely,



Mark Sikora, P.E.
Vice President



NEWCASTLE ELECTRIC INC.
1505 INDUSTRIAL DRIVE, ITASCA IL 60143
PHONE 630-773-0171 FAX 630-773-0183

PROPOSAL

City of St. Charles
2 East Main Street
St. Charles, IL 60174

September 14, 2016

Thank you for this opportunity to provide a quotation.
We hereby propose to furnish all material and labor necessary to perform the scope of work defined by your project STC-099 plans and specifications.
No addendums have been received on STC-099.

Project to modified as follows:
In lieu of one MCC assembly containing the 3 new Variable Frequency Drives we will furnish 3 free standing assemblies.
All other aspects to remain as specified.

Base Bid - \$79,500

Respectfully submitted Newcastle Electric Inc.

Per

We may withdraw note-This proposal if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL

Proposal acceptance per STC-099 project manual.