

E Environment Committee

Item: 2011-75

For the Metropolitan Council meeting of March 30, 2011

ADVISORY INFORMATION

Date Prepared: March 22, 2011

Subject: Authorization to Reject All Bids for Construction of the Metropolitan Wastewater Treatment Plant (MWWTP) Double Barrel Interceptor Improvements, MCES Project No. 805960, Contract No. 10P257

Proposed Action:

That the Metropolitan Council authorizes its Regional Administrator to reject all bids for construction of the MWWTP Double Barrel Interceptor Improvements, MCES Project No. 805960, Contract No. 10P257.

Summary of Committee Discussion / Questions:

Council Member Reynoso asked about the bidding process, i.e. always taking the lowest bid, the criteria used to decide who gets the bid. Staff responded that most MCES construction projects are procured by competitive, sealed bidding based on detailed plans and specification, which specify required quality. The bid is then awarded to the lowest responsive, responsible bidder. MCES has also used design/build procurement successfully on several projects. Design/build considers price and other criteria in the selection process. Statute also permits use of "best value" procurement, which can consider specified criteria in addition to price. MCES has not used best value procurement on its construction contracts.

Council Member Đoàn asked how it is determined which procurement process to use. Staff evaluates each project to identify potential advantages of using design-build procurement. If there are no such advantages, design-bid-build procurement is used.

Council Member Melander asked when this project will be readvertised. Staff said it would probably be several weeks, after the flood threat is over.

Motion to approve proposed action was made, seconded, and passed unanimously. Placed on Council Consent Agenda.

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Subject:	Authorization to Reject All Bids for Construction of the Metropolitan Wastewater Treatment Plant (MWWTP) Double Barrel Interceptor Improvements, MCES Project No. 805960, Contract No. 10P257
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-3, Expenditures
Staff Prepared/Presented:	Bryce Pickart 651-602-1091
Division/Department:	MCES c/o William G. Moore 651-602-1162

Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to reject all bids for construction of the MWWTP Double Barrel Interceptor Improvements, MCES Project No. 805960, Contract No. 10P257.

Background

Wastewater flow into the Metropolitan Wastewater Treatment Plant is conveyed by the double barrel interceptor, which consists of two rectangular conduits, each 10 feet high by 9.5 feet wide. The double barrel was constructed in the 1930s. Rehabilitation of the double barrel consists of dewatering and removal of approximately 6,000 tons of sediment, removal of interior and exterior deteriorated concrete, concrete expansion joint repairs, the application of exterior penetrating water repellent coating, and an interior concrete lining system.

Two bids were received on February 24, 2010. The bids ranged from \$5,275,333 to \$21,428,400. An apparent unit pricing error by one of the bidders increased their bid price dramatically. The engineer's cost estimate was \$4,320,000.

The apparent unit pricing error is a significant issue, but the Council cannot accept a post-bid correction, because it would undermine the competitive bidding process.

It is not prudent to award to the other bidder, because that bid is significantly above the engineer's cost estimate. Therefore, staff recommends rejecting all bids and subsequently soliciting new bids.

Rationale

Construction contracts exceeding \$1,000,000 in value require Metropolitan Council authorization to reject all bids.

Funding

None required at this time.

Known Support / Opposition

None.