SULTAN CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: A - 6

DATE: May 24, 2007

SUBJECT: Membrane BioReactor (MBR) Procurement
MBR Supplier Selection

CONTACT PERSON: Public Works Director Dunn

ISSUE:
The issue before Sultan City Council tonight is approval of the selection of Enviroquip to provide the MBR Equipment to the City of Sultan for the Upgrade of the Wastewater Treatment Plant. Authorizing staff to enter into discussions to execute the contract between the City of Sultan and Enviroquip for procurement of MBR Equipment and Services.

SUMMARY:
At the May 10, 2007 Council meeting, the City of Sultan Council rejected all MBR proposals and passed Resolution 07-10 declaring the the MBR system a Special Facilities Equipment system. By passing this Resolution, the City of Sultan waived the requirements of competitive bidding outlined in RCW 39.04.280 (1)(b) for this MBR system contract purchase. As a result of passing this Resolution, the City can now enter into discussions with the selected MBR Supplier to finalize the contract language between the MBR Supplier and the City prior to execution of the contract.

On May 15, 2007, City of Sultan staff and Brown and Caldwell conducted a workshop to evaluate MBR Supplier proposals accepted and considered under Resolution 07-10. After evaluating and scoring the proposals in accordance with the method outlined in the Request For Proposals (RFP), the results of the City's evaluation of the Proposals are as shown in the attached table.

Based on the results of this evaluation, it is recommended that Council approve selection of the highest ranking Supplier (Enviroquip) and authorize entering into discussions with Enviroquip to finalize and execute the contract in order for the City of Sultan to continue the design of the WWTP upgrade project without delay. Although Enviroquip (and all other Suppliers) took exceptions to portions of the general terms and conditions, it is believed that the City of Sultan will be able to successfully

negotiate acceptable terms in a timely fashion to avoid impacts on the progress of the design.

FISCAL IMPACT:

The fiscal impact is related to the contract value with the selected MBR Supplier. The MBR Equipment and Services Contract is divided into three Tasks:

- Task 100 is for services during design,
- Task 200 is for services and equipment during construction, and
- Task 300 is for performance optimization services after construction.

There are alternatives for managing this fiscal impact that are being developed as part of the City's financing stategy for the WWTP Upgrade Project. Alternatives such as grants and loans, developer upfront payments, and latecomers agreements are being considered.

The amount for Task 100 is expected to be expended over the course of approximately one year after the contract has been executed.

The City of Sultan expects to reassign Tasks 200 and 300 to the General Contractor that will construct the WWTP Upgrade project. As a result, the amounts for Tasks 200 and 300 would be paid during the construction of the WWTP Upgrade project, which at this time is expected to begin in the first quarter of 2008 and continue through 2009.

ALTERNATIVES:

1) Authorize staff to enter into discussions with Enviroquip to execute a contract for the procurement of the MBR Equipment and Services which keeps the WWTP Upgrade moving forward towards construction and meeting the demands of the community.

2) Do nothing, which will stop design of the WWTP Upgrade.

3) Direct City Staff and Brown & Caldwell, City Engineer for the WWTP upgrade to enter into discussion with one of the other suppliers for the MBR Equipment and Services which would delay the upgrade project. The procurement process is cruical to the design as the WWTP is based on the MBR Equipment selected. Working with a different supplier would required justification in the change of criteria advertised in the Requests for Proposals, then returning to Council for approval of that selection and the criteria on which it was selected. Delay would be approximately 45 days and the cost would be similar to the contract amendment approved on May 10, 2007 to Brown and Caldwell Consulting.

RECOMMENDED ACTION:
Approve selection of Enviroquip based on the attached evaluation criteria and authorize City of Sultan staff to enter into discussions with Enviroquip to execute the contract between the City of Sultan and Enviroquip for procurement of MBR Equipment and Services.

COUNCIL ACTION:

DATE: May 24, 2007

ATTACHMENT(S):
Sultan Evaluation of the Proposals for MBR Equipment

Evaluation Criteria[2]	Weighting Factor[2]	Enviroquip		Koch		Parkson		Siemens		Zenon/GE	
		Score[1]	Weighted Score	Score[1]	Weighted Score	Score[1]	Weighted Score	Score[1]	Weighted Score	Score[1]	Weighted Score
Operability	18	5	90	3.5	63	2.5	45	3	54	3	54
Service	17	5	85	4	68	2.5	43	4	68	5	85
Capital Cost for *total* system	15	3.9	59	4.2	63	3.4	51	5	75	4.3	65
Experience	14	4.5	63	2	28	2	28	3.5	49	5	70
O&M cost	13	4.9	63	2.2	29	2.6	34	2.7	35	5	65
Warranty	11	5	55	2	22	3	33	3	33	4	44
Corporate Responsibility	5	4	20	3	15	5	25	5	25	4.5	23
Total Weighted Score			**435**		**288**		**259**		**339**		**406**

[1]Score (1 to 5, with 5 being the highest or most desirable) on how well the MBR Supplier's Proposal met the Evaluation Criteria outlined in the Request for Proposals (RFP).
[2]Evaluation criteria and weighting factors were developed by City staff at a workshop with Brown and Caldwell on January 9, 2007. These criteria and factors were included in the MBR RFP along with a complete description of each criteria.

Attachment 1 of Action Item A-