

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

DATE: December 10, 2009

ITEM: C - 11

SUBJECT: Bid Award to Milne Electric, Hypochlorite Equipment Installation at the Water Treatment Plant

CONTACT PERSON: Jon Stack, P.E., City Engineer 

ISSUE:

The issue before the Council is to consider the contract award to Milne Electric as the low bidder for the chlorine conversion equipment installation.

SUMMARY:

The existing chlorine room at the water treatment plant has adequate space for the installation of a liquid application of chlorine to the treated water prepared for the City residents. This project is needed to increase the safety of City Workers while providing necessary water disinfection as part of drinking water treatment required by the Washington State Department of Health.

STAFF RECOMMENDATION:

Award the bid for installation of Hypochlorite Equipment to Milne Electric in the amount not to exceed \$25,879.38.

BACKGROUND:

This project was approved and budgeted in the 2009 budget. The contract for furnishing the materials and equipment was awarded October 22, 2009 to Whitney Equipment Company for \$18,950.70 (incl. tax) and new door installation to Pacific Northwest Construxion for \$8,774 (incl. tax). The purchase was completed in 2009. The city received a single bid on December 2, 2009 for installation of City purchased equipment from Milne Electric, Inc. for \$25,879.38 (incl. tax). Total project cost will be to \$53,604.08 (incl. tax). From the 2009 budget \$8,774.00 has been expended. The difference and balance of this project (\$45,000) will be reflected in the 2010 Capital Budget.

A preliminary estimate included in the 2009 budget for the necessary materials to complete the conversion was \$40,000. During the preparation of the 2009 budget the installation was planned to be completed by in-house staff. This approach was changed after the Public Works Director attended a seminar regarding public works project bidding laws. Nine contractors were provided a copy of the bid solicitation with a single bid received from Milne Electric, Inc. Receiving a single bid is a concern for the City

Engineer, since one bid does not provide a cost comparison to consider in selection of a contractor.

BACKGROUND:

The existing chlorination system was installed at the construction of the original plant in 1979 with minor equipment repairs and replacements through the last 30 years.

Changes in technology and applications of liquid chlorine have become more of a standard practice and is much safer for staff. Conditions of the existing chlorine application is in poor condition and require an upgrade or change from gaseous to liquid application.

ALTERNATIVES:

- 1) Reject all bids and re-advertise. This alternative implies the council has concerns about awarding a contract based on a single bid. If the city readvertised the project there are no guarantees the city will receive more bids. Rebidding the installation will delay the project.
- 2) Award to single bidder, Milne Electric. Implies council is comfortable with a single bid and is ready to move forward with installation.

Either way the purchase of the equipment from Whitney Equipment and installation of the equipment by a contractor will be in 2010.

COUNCIL ACTION:

Award the bid for installation of Hypochlorite Equipment to Milne Electric in the amount not to exceed \$25,879.38.

FISCAL IMPACT:

The fiscal impact is \$25,879.38 from the 2010 capital budget. The staff is also amending the 2010 budget to reflect the purchase of the equipment from Whitney Equipment for \$18,774.70 (inc. tax). The total capital budget adjustment is \$45,000 to complete the purchase and installation of the equipment for the chlorine conversion at the Water Treatment Plant. The adjusted cost of this project from 2009 and 2010 budgets is \$53,604.08

ATTACHMENTS:

- A Bid from Milne Electric

COUNCIL COMMENTS

PROPOSAL FORM

Bidder: MILNE ELECTRIC, INC

Address: P.O. Box 1300 MONROE, WA
98296

Date: 12/01/09

TO: CITY OF SULTAN
ADDRESS: 319 Main St #200
Sultan WA 98294

PROJECT: Installation of Hypo-Chlorite System at Water Treatment Plant

Gentlemen:

Pursuant to and in compliance with your invitation for bids and the Instructions to Bidders and other documents relating thereto, the undersigned has carefully examined the drawings and specifications as well as the premises and conditions affecting the work and hereby proposes to furnish all labor and materials and to perform all work as required for construction of the improvements in strict accordance with the contract documents, specifications and drawings for the unit prices shown on the Bid Schedule, which does not include State sales tax.

| | |
|------------|-------------------|
| Schedule A | <u>\$18,880 -</u> |
| Schedule B | <u>\$4,950 -</u> |
| TOTAL BID | <u>\$23,830 -</u> |

Bidder's Declaration and Understanding

If the undersigned be notified for the acceptance of this bid within sixty (60) days of the time set for the opening of bids, he agrees to execute a contract for the above work bid in the form of the contract bound in these specifications and to provide a surety bond as required by the specifications.

The undersigned further agrees that the bid guaranty accompanying this bid is left in escrow with the Owner; that the liquidated damages which the Owner will sustain by the failure of the undersigned to execute and deliver the above-named contract and surety bond, for any or all units of this bid accepted by the Owner, will be equal to five percent (5%) of the total bid for such unit or units; and that if the undersigned defaults in executing that contract and in furnishing the surety bond within ten (10) days of the date on the Notice of Award, then the bid guaranty shall become the property of the Owner who shall be obligated only to refund that portion in excess of the liquidated damages. If however, this bid or any part thereof is not accepted within sixty (60) days of the time set for the opening of bids or if the undersigned executes and delivers said contract and surety bond, the bid guaranty shall be returned to him.

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Attachment A
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