

# Committee Report

Environment Committee



**Committee Meeting Date:** March 28, 2023

**For the Metropolitan Council:** April 12, 2023

## Business Item: 2023-78

2023-78: MWWTP Water Systems Renewal & Improvements Phase 1 – Distribution System Renewal Project Rejection of Bid

### Proposed Action

That the Metropolitan Council authorize its Regional Administrator to reject the bid for construction of MWWTP Water Systems Renewal & Improvements Phase 1 – Distribution System Renewal, Project Number 808963, Contract 22P076.

### Summary of Environment Committee Discussion/Questions

Staff noted a mistake in the original Business Item related to policy and legal reference and provided the following correction: Policy 3-3 Expenditures should be substituted with FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy.

Environmental Services is looking to reject the single bid it received for the project given it is \$18.9 million higher than the engineer's estimate. Staff provided an overview of the process leading up to receiving the single bid.

CM Gail Cederberg asked the following:

If we updated the project requirements and language, and we put it out for bid again, will we receive additional over-estimate bids?

Staff replied that several factors may have played into the large cost differential:

1. Two of the bid items, "All Other Work" and "Demolition and Removal" had the most significant price difference. We are going to relook at the bid item descriptions to better identify the work with the goal of reducing the price differential.
2. We also looked the cost differential for material related bid items. Those for cooper pipe, coating and metal hangers were higher than the Engineer's estimate. On the other hand, ductile iron pipe was lower than the Engineer's estimate.
3. Given we are unable to interview the contractor we cannot gather additional information that may be beneficial to a more thorough analysis.
4. Staff will be analyzing the bid, addressing language in the project, as well as engaging more – and different – contractors through informational meetings before re-posting the project.

VC Wulff asked if breaking up the project into smaller contracts would provide us with more bids? Staff replied that we are looking at many options and ideas; however, there are challenges that come with breaking up the project as well.

CM Carter inquired if we have a pre-identification process for potential bidders? Staff noted that Environmental Services does have a list of prequalification list for certain types of work; however, for this specific project there were not prequalified vendors.

It was moved by VC Wulff, seconded by CM Diego Morales, that the Metropolitan Council authorize its Regional Administrator to reject the bid for construction of MWWTP Water Systems Renewal & Improvements Phase 1 – Distribution System Renewal, Project Number 808963, Contract 22P076.

Motion by CM Wulff, seconded by Morales. Motion carried.



# Business Item

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MWWTP Water Systems Renewal & Improvements Phase 1 – Distribution System Renewal Project  
Rejection of Bid

**District(s), Member(s):** District 13; Council Member Chai Lee  
**Policy/Legal Reference:** Policy 3-3 Expenditures  
**Staff Prepared/Presented:** Tim Amstutz, Assistant Manager, 651-602-1221  
**Division/Department:** MCES c/o Leisa Thompson, 651-602-8101

### Proposed Action

That the Metropolitan Council authorize its Regional Administrator to reject the bid for construction of MWWTP Water Systems Renewal & Improvements Phase 1 – Distribution System Renewal, Project Number 808963, Contract 22P076.

### Background

The project provides for construction of the following at the Metropolitan Wastewater Treatment Plant:

1. Replace approximately 21,000 lineal feet of service water piping ranging in size from 4 to 16-inches in diameter.
2. Replace approximately 39,000 lineal feet of service water tubing and piping ranging in size from 1/2 to 3 inches in diameter.
3. Install flushing hydrants, standpipes, and other appurtenances.

One bid was received February 8, 2023, in the amount of \$41,791,700. The Disadvantaged Business Enterprise (DBE) goal for this contract was 10%.

MCES proposes to reject the bid and to re-bid this project because the bid was \$18.9 million higher than the engineer's estimate.

### Rationale

Rejection of bids exceeding \$10,000,000 requires Council authorization.

### Thrive Lens Analysis

This action supports the Thrive outcome of stewardship as the work supports efforts to maintain the region's wastewater treatment system.

### Funding

Funds are provided in the Capital Program.