

W. G. B.

Memorandum Date: October 11, 2007
Board Order Date: October 24, 2007

TO: Board of County Commissioners
DEPARTMENT: CAO/Community & Economic Development
PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: IN THE MATTER OF AWARDING A CONTRACT TO STETTLER SUPPLY COMPANY, IN RESPONSE TO A BID, FOR THE INSTALLATION OF A NEW TREATMENT SYSTEM FOR THE MAPLETON WATER DISTRICT USING CDBG FUNDS IN THE AMOUNT NOT TO EXCEED \$325,100.

I. MOTION

MOVE FOR THE APPROVAL OF AWARDING A CONTRACT TO STETTLER NOT TO EXCEED \$325,100 AND AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN CONTRACT DOCUMENTS

II. AGENDA ITEM SUMMARY

The County was awarded a \$750,000 Community Development Block Grant (CDBG) in 2005 to make water filtration improvements to the Mapleton Water District. Since that time, the project has been moving forward with system engineering work and the off-site manufacturing of a new water treatment system. The next step in the process is to retain the services of an engineering firm to install the new water treatment system. After following the prescribed process for a competitive bid, the low bidder was chosen for the project. The low bidder was Stettler Supply Company.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Mapleton Water District serves the community of Mapleton along the Siuslaw River. For several years it has operated with an aging filter system to treat the residents' drinking water. The District was able to make use of the services of Lane County, which submitted a grant request and was awarded

\$750,000 from the Oregon Department of Economic and Community Development Department, using federal Community Development Block Grant funds.

On July 19, 2006, the Board of Commissioners authorized the awarding of a contract to HBH Consulting Engineers following a competitive solicitation process. HBH's main tasks were to assist in identifying a solution to replace the water filtration system; create request for proposals and bid documents for the various parts of the project; solicit request for proposal responses from system manufacturers and bid responses for installation of the system; and assist the project team in evaluating those responses.

In response to the RFP for the Membrane Filtration System, the Board of Commissioners, on April 18, 2007, awarded a contract to WesTech to manufacture the treatment system. The system is now almost complete and will be delivered in late October or early November and will need to be installed at that time.

The final step in this process is to hire a firm to install the system by the grant end date of January 12, 2008. To that end, a Bid package seeking a firm to install the system was released by the County on September 6, 2007.

Five responses to the bid were received on October 2, 2007, the bid close date. The bidders and their bids are as follows:

Stettler Supply Company	\$ 335,100
2G Construction	\$ 344,254
Mountain State Construction	\$ 370,500
Pacific Excavation Inc.	\$ 439,000
Triad Mechanical Inc.	\$ 414,041

All of the Bid responses were reviewed and determined to be responsive to the request. The Bid review team is made up of the project partners: Mapleton Water District, Lane County, Lane Council of Governments and HBH Engineering. Stettler was determined to have the lowest bid.

A Notice of Intent to Award the Bid to Stettler was issued on October 11, 2007. As stated in section 25.0 of the Instructions to bidders: Any protests of intent to award the Contract shall be filed no later than seven days of the date of the notice of intent to award, and shall be processed in conformance with the requirements of Lane Manual 21.107 (14). In addition to other requirements of that subsection, the protestor must claim that the Owner committed a substantial violation of a provision in the solicitation document or of an applicable procurement statute or administrative rule and the protestor would have, but for

the substantial violation been the next-in-line lowest responsible bidder, the Protestor must claim that all lower bidders are ineligible for the Contract award.

If any protests are filed, this agenda item will be pulled while the protest is evaluated. If no protest is filed, this agenda item will move forward for adoption on October 24, 2007 as planned.

HBH, in consultation with Stettler, was able to identify \$10,000 worth of immediate equipment savings in the project, so the contract amount being recommended for Stettler is \$325,100, rather than their initial bid of \$335,100.

The award of the contract to Stettler Supply Company is now before the Board of Commissioner for its approval.

B. Policy Issues

Should the Board of Commissioners award a contract to the lowest bidder and have the Mapleton project continue?

C. Board Goals

This project meets the following board goals:

- Contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development.
- Maintain a *healthy environment* with regard to air quality, water quality, waste management, land use and parks.
- *Protect the public's assets* by maintaining, replacing or upgrading the County's investments in systems and capital infrastructure.

D. Financial and/or Resource Considerations

The County previously received a Community Development Block Grant of \$750,000 to be used to make improvements to the water filtration system owned by the Mapleton Water District and serving the citizens of Mapleton.

Of the grant amount, \$635,000 was budgeted for the design, manufacture and installation of the water filtration membrane system. The \$325,100 cost to install the water system is within the budget range set for this item.

Only state awarded Community Development Block Grant funds are being expended by the County for the contract with Stettler Supply Company.

E. Analysis

The bid process was conducted pursuant to County and state Bid requirements. A Mapleton Water District representative, as well as representative from HBH, the County and LCOG served on the bid review committee. The committee found that the Stettler Supply Company bid was responsive with regard to the equipment specifications required by the manufacturer of the water system as required in the bid. In addition, the bid fits within the budgeted amounts for the work that has been identified as necessary, and contains restrictions to prevent exceeding the budgeted funds. The firm selected is qualified to do the work.

F. Alternatives/Options

The options before the Board are as follows:

1. The Board may choose to approve the proposed contract. This would allow the installation of the water system.
2. The Board may take no action. This would result in at least a delay in the project until the matters of concern to the Board could be resolved.
3. The Board may choose to reject the proposed contract.

IV. TIMING/IMPLEMENTATION

Upon approval by the Board, the final parts of the County process of contract review will be completed. When that process is complete, the contract will be signed by the CAO and sent to the contractor so they can begin work.

V. RECOMMENDATION

Staff recommends that the Board of Commissioners approve the motion as drafted.

VI. FOLLOW-UP

If the Board adopts the proposed Order, staff will communicate that to the project parties, oversee the signing of the contract and direct implementation of the contract.

VII. ATTACHMENTS

1. Board Order
2. BID review sheet
3. Notice of Intent to Award Bid

The Contract with Stettler Supply Company, including the Bid package is available for review with the Clerk of the Board.

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF
) AWARDING A CONTRACT TO
) STETTLER SUPPLY
) COMPANY, IN RESPONSE TO
) A BID, FOR THE
) INSTALLATION OF A NEW
) TREATMENT SYSTEM FOR
) THE MAPLETON WATER
) DISTRICT USING CDBG
) FUNDS IN THE AMOUNT NOT
) TO EXCEED \$325,100.
)
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)

WHEREAS, Lane County has applied for and been awarded CDBG funds on behalf of the Mapleton Water District in the amount of \$750,000, including \$635,000 for design, manufacture and installation of a water treatment system; and

WHEREAS, A competitive bid process was held to solicit bids for the installation of a water system to be performed as a part of the grant award, five responsive bids were received and reviewed; and

WHEREAS, after reviewing the bids, Stettler Supply Company had the lowest price;

WHEREAS, the review committee, Mapleton Water District, HBH Engineering, County staff and LCOG staff, are recommending that the County Board of Commissioners award a contract to Stettler Supply Company for the installation of a water system for Mapleton.

NOW THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners does hereby approve contracting with Stettler Supply Company for an amount not to exceed \$325,100;

IT IS FURTHER ORDERED that the County Administrator is authorized to sign a contract subject to approval by County Council.

DATED this 24th day of October, 2007.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM
Date 10/16/07 lane county
[Signature]
OFFICE OF LEGAL COUNSEL

NOTICE OF INTENT TO AWARD

Date: October 11, 2007

RE: Mapleton Water District Treatment Plant Improvements

Having reviewed all responsive bids submitted according to the criteria set forth in Volume 1 of the bid form, Lane County has determined that the responsible bidder with the lowest price, all other factors considered, is

Stettler Supply Co.

This is notice of Lane County's intent to award a contract for the construction project to Stettler Supply Company.

The award shall not be final until the later of the following:

1. Eight (8) days after the date of the Notice of Intent; or
2. The Owner provides a written response to all timely-filed protests that denies the protest and affirms the award.

Conclusion of the award will be contingent on the following factors:

1. Approval by the Lane County Board of Commissioners
2. The execution of four copies of the modified Agreement along with the required Performance and Payment Bonds, Certificates of Insurance and proof of an Employee Drug Testing Program.

Persons who wish to inquire concerning this notice may call or correspond with

Milo Mecham
Lane Council of Governments
99 E. Broadway, Suite 400
Eugene, OR 97401
541-682-4023

As stated in section 25.0 of the Instructions to bidders:

Any protests of intent to award the Contract shall be filed no later than seven days of the date of the notice of intent to award, and shall be processed in conformance with the requirements of Lane Manual 21.107 (14) (see [Http://www.co.lane.or.us/LaneManual/documents/ManualChapter21_Jan19_06.pdf](http://www.co.lane.or.us/LaneManual/documents/ManualChapter21_Jan19_06.pdf)). In addition to other requirements of that subsection, the protestor must claim that the Owner committed a substantial violation of a provision in the solicitation document or of an applicable procurement statute or administrative rule and the protester would have, but for the substantial violation been the next-in-line lowest responsible bidder, the Protestor must claim that all lower bidders are ineligible for the Contract award.

Mapleton Water District Water Treatment Plant Improvements
 Bid opening October 2, 2007

Component	Item	Quantity	Unit	Price	Amount	Item	Quantity	Unit	Price	Amount	Item	Quantity	Unit	Price	Amount	Item	Quantity	Unit	Price	Amount
Mobilization, bonds		63,936	\$		21,195	\$	22,000	\$		48,000	\$	30,000								
Temporary treatment skids and pump installation		12,315	\$		32,069	\$	12,000	\$		23,000	\$	21,000								
demolition and removal		3,692	\$		7,648	\$	16,500	\$		22,000	\$	9,000								
primary treatment unit skids and included equipment		1,662	\$		5,859	\$	6,000	\$		10,000	\$									
building modifications		21,160	\$		22,243	\$	29,000	\$		18,000	\$	11,200								
pumps and drives		11,412	\$		15,715	\$	14,500	\$		20,000	\$	15,900								
mechanical piping and instrumentation		47,787	\$		89,913	\$	49,000	\$		95,000	\$	72,000								
chemical feed pumps		40,825	\$		47,791	\$	42,000	\$		35,000	\$	63,000								
hypochlorite generation system		53,795	\$		69,718	\$	42,000	\$		52,000	\$	45,000								
standby generator		44,964	\$		51,211	\$	49,000	\$		40,000	\$	48,700								
electrical improvements complete		33,713	\$		38,567	\$	34,500	\$		58,000	\$	39,700								
painting		3,450	\$		6,302	\$	5,700	\$		6,000	\$	7,000								
start-up, training, O&M manuals		5,543	\$		5,810	\$	12,900	\$		12,000	\$	8,000								
Total basic bid		344,254	\$		414,041	\$	335,100	\$		439,000	\$	370,500								
Other documents included																				
bid security (bid bond)		Y			Y		Y			Y		Y								
proposed subcontractor list		Y			Y		Y			Y		Y								
bidder prequalification submitted prior to bid		Y			Y		Y			Y		Y								
non-collusion affidavit		Y			Y		Y			Y		N								
Alternate Bid		2,875	\$		4,592	\$	5,800	\$		4,200	\$	15,000								