

CITY OF HIGH POINT

AGENDA ITEM



Title: Materials Recovery Facility Upgrade

From: Terry Houk – Public Services Director
Robby Stone – Asst. Director Public Services

Meeting Date: November 19, 2018

Public Hearing: N/A

Advertising Date: September 14, 2018

Advertised By: Purchasing

Attachments: Attachment A – Bid Recommendation Letter
Attachment B – Engineer Recommendation Letter and Bid Information

PURPOSE:

The City budgeted for facility and safety improvements at the Material Recovery Facility (MRF). The City has developed a project that adds office space, breakroom, bathrooms, electrical upgrades, safety eye wash/showers, and lighting upgrades to complement the existing state-of-the-art sorting and recycling equipment. Bids for these improvements were opened on October 31, 2018 which consisted of construction of mechanical, structural, and electrical upgrades to the existing MRF.

BACKGROUND:

The City of High Point operates a Material Recovery Facility for the purpose of recovering recyclable materials from the solid waste disposal stream. The current facility has experienced no upgrades in the past 25 +/- years apart from a baler in 2015 and processing line in 2017/2018. The facilities are currently in very poor condition due to the age. The proposed improvements will upgrade the facilities while incorporating many safeties.

BUDGET IMPACT:

Funds for this project are in the Material Recovery Facility Capital Improvement Plan.

RECOMMENDATION / ACTION REQUESTED:

The Public Services Department recommends approval and asks for the Council to award the project to Holden Building Company, Inc. in the amount of \$1,152,495.00 and authorize the appropriate City Official to execute all necessary documents.



**FORMAL BID RECOMMENDATION
REQUEST FOR COUNCIL APPROVAL**

DEPARTMENT: **Public Services - Material Recovery Facility**

COUNCIL AGENDA DATE: **November 19, 2018**

BID NO.: **10-103118**

CONTRACT NO.:

DATE OPENED: **Oct 31, 2018**

DESCRIPTION:

Constructing a new break-room, bathrooms, administration area, electrical upgrades, lighting and safety additions for the existing Material Recovery Facility.

PURPOSE:

The City budgeted for facility and safety improvements at the Material Recovery Facility (MRF). The City has developed a project that adds office space, break-room, bathrooms, electrical upgrades, safety eye wash/showers, and lighting upgrades to compliment the existing state-of-the-art sorting and recycling equipment.

COMMENTS:

The upgrades and improvements are needed are bring the facility into safety compliance.

RECOMMEND AWARD TO: **Holden Building Co., Inc.**

AMOUNT: **\$1,152,495.00**

JUSTIFICATION:

Holden Building Co., Inc. was the low bidder and has experience with similar building projects.

ACCOUNTING UNIT	ACCOUNT	ACTIVITY	CATEGORY	BUDGETED AMOUNT
661749	533701	661131001705	40202	\$1,152,495.00
TOTAL BUDGETED AMOUNT				\$1,152,495.00

DEPARTMENT HEAD: **Terry Houk**

Digitally signed by Terry Houk
DN: cn=Terry Houk, o=City of High Point, ou=Public Services, email=terry.houk@highpointnc.gov, c=US
Date: 2018.11.08 11:30:49 -05'00'

DATE: **Nov 8, 2018**

The Purchasing Division concurs with recommendation submitted by the **Public Services** and recommends award to the lowest responsible, responsive bidder **Holden Building Co., Inc.** in the amount of \$ **1,152,495.00**.

PURCHASING MANAGER: **Erik Conti**

Digitally signed by Erik Conti
DN: cn=Erik Conti, o, ou,
email=erik.conti@highpointnc.gov, c=US
Date: 2018.11.08 14:38:33 -05'00'

DATE: **Nov 8, 2018**

Approved for Submission to Council

FINANCIAL SERVICES DIRECTOR: **Kelly Latham**

Digitally signed by Kelly Latham
DN: cn=Kelly Latham, o, ou,
email=kelly.latham@highpointnc.gov, c=US
Date: 2018.11.09 10:07:17 -05'00'

DATE: **11/9/2018**

CITY MANAGER: **Greg Demko**

Digitally signed by Greg Demko
Date: 2018.11.09 11:02:46 -05'00'

DATE: **11/9/2018**



4600 Park Road, Suite 240
Charlotte, North Carolina 28209
tel: 704 342-4546
fax: 704 527-1125

November 2, 2018

Erik Conti
City of High Point
Purchasing Division
P.O. Box 230 (27261)
211 South Hamilton Street, Suite 215
High Point, North Carolina 27260

Subject: City of High Point, North Carolina
Materials Recovery Facility Phase 3 Improvements (Bid No. 10-102518)
Bid Evaluation and Recommendation

Dear Mr. Conti,

Five bids were received for the above-referenced project on Thursday, October 25, 2018 at 2pm in the Third Floor Conference Room of the Municipal Office Building located on 211 South Hamilton Street. This letter presents CDM Smith's evaluation of the received bids and our recommendation for lowest responsible bidder. The certified bid tabulation is attached for your reference. As indicated in the specifications, the project was bid with a Base Bid Amount consisting of unit price, lump sum, and allowance bid items. Additionally, there were six Alternate Bid Items that consisted of unit price, lump sum, and allowance bid items. CDM Smith evaluated the bids primarily based on the Base Bid Amount submitted by each bidder, but the Alternate Bid Items were considered as well.

The City of High Point (City) Material Recovery Facility (MRF) Phase 3 Improvement Project includes the addition of an administration building connected to the process area, a sewer pump station to replace the existing storage tanks, and several electrical and lighting improvements within the process area. The inclusion of the alternate bid items in the scope will improve the physical conditions of the MRF, provide features that improve worker safety, and add more conveniences within the process area. The following bid evaluation provides an overview of all the bids and further evaluation of the lowest bidder to formulate our recommendation.

BID EVALUATION

CDM Smith initially evaluated the bids based on whether the bidder submitted all required information stated in the Instructions to Bidders, including the Itemized Proposal Form, Bid Bond, Minority Participation Forms, and acknowledged receipt of any issued addendums. A matrix is attached as **Exhibit 1** showing that all bidders provided the information required in the bid, as documented during the bid opening. **Exhibit 2** provides a complete bid tabulation for your review.



The publicly opened bids, based on the Base Bid Amounts, are provided below from lowest to highest:

CONTRACTOR	PUBLICLY OPENED BID PRICES	CORRECTED BID PRICES
Holden Building Co., Inc.	\$1,027,995.00	\$1,031,495.00
DreamBuilt Construction, Inc.	\$1,160,030.00	\$1,173,629.90
Bar Construction Company, Inc.	\$1,300,000.00	\$1,275,800.00
HM Kern Corporation	\$1,307,000.00	\$1,311,985.00
S&S Building and Development, LLC	\$1,413,467.00	\$1,271,567.00

Each bid was reviewed for mathematical errors and other discrepancies. Several errors and/or discrepancies were identified in each of the bids, as shown above and in Exhibit 2. The correction of the errors altered the order of the bids by base bid amount (low to high); S&S Building had relatively small errors on two bid items in its bid, but a significant mathematical error (did not add correctly) that reduced their bid to \$1,271,567, which moved it to third lowest. Exhibit 2 shows that the low base bid amount for Holden Building Co., Inc. (Holden) is increased to \$1,031,495.00 based on the correction of the pricing, but this remains the low bid.

An evaluation of the Alternate Bid Items showed that, when totaled with the Base Bid amounts, Holden remained the lowest overall bidder at \$1,152,495.00, and the order of the bids (low to high) did not change for the corrected bid prices.

ENGINEER OPINION

CDM Smith conducted a review of the bid tabulation as part of our evaluation. As shown in Exhibit 2, the low Base Bid price was approximately 15% lower than the average price from the other bidders, which on a \$1M project can be a significant difference. CDM Smith conducted further evaluation of the Holden bid and we identified a few of the bid item prices that resulted in the majority of the price differences (pump station and associated piping). We contacted a representative of Holden to discuss the overall price difference and our concerns as they related to performance of the work. The Holden representative investigated the source of the pricing of concern (subcontractor), and the subcontractor confirmed that the pricing in the bid was accurate. Additionally, CDM Smith contacted references for Holden and positive feedback was received from each person contacted regarding the company's performance on previous projects. Based on our evaluation of the project bid, Holden Building Co., Inc. has submitted a complete bid and meets the qualification requirements for the Materials Recovery Facility Phase 3 Improvements Project.

Based upon our review of the pricing for the Alternate Bid Items, CDM Smith recommends acceptance of each alternate as a part of the project if adequate funding is available.



Mr. Erik Conti
November 2, 2018
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Based upon our evaluation of the bid package including project experience and references, CDM Smith's opinion is that Holden Building Co., Inc.'s bid in the amount of \$1,031,495.00 (and \$1,152,495.00 with Alternate Bid Items included) is reasonable, and the company is a qualified contractor capable of completing the Materials Recovery Facility Phase 3 Improvements Project.

CDM Smith's opinion is contingent upon the following:

- City's satisfactory review of Holden Building Co., Inc. MWSBE Provisions documents.
- The City has no questions or comments regarding the information provided herein.

CDM Smith appreciates the opportunity to assist the City of High Point with this project. If you have questions or need any additional information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, reading "Wendy Karably".

Wendy Karably, PMP
CDM Smith Inc.

cc: G. Fetterolf, CDM Smith
W. Karably, CDM Smith
B. Wlosek, CDM Smith



EXHIBIT 1 - BID SUMMARY
HIGH POINT, NC
MATERIAL RECOVERY FACILITY PHASE 3 IMPROVEMENTS

BID #10-102518 BID OPENING
Thursday, October 25, 2018, 2:00 P.M.

CONTRACTOR	Contractor License Number	Addenda 1-2	Bid Bond	Proposal Form	MBE Forms
Holden Building	68119	✓	✓	✓	✓
Bar Construction	7973	✓	✓	✓	✓
S&S Building	61690	✓	✓	✓	✓
HM Kern Corporation	8542	✓	✓	✓	✓
Dreambuilt Construction	75480	✓	✓	✓	✓

Notes:

1. The order in which the contractors are presented are the order in which the bids were opened.

Exhibit 2 - Bid Tabulation
HIGH POINT, NC
High Point MRF Phase 3 Improvements

BID #10-102518 BID OPENING
Thursday, October 25, 2018, 2:00 P.M.

Item No.	Description	Quantity	Units	Holden Building		Bar Construction		S&S Building		HM Kern Corporation		Dreambuilt Construction	
				Greensboro, NC		Charlotte, NC							
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
BASE BID ITEMS													
1	Pump Station	1	LS	\$ 54,000.00	\$ 54,000.00	\$ 130,000.00	\$ 130,000.00	\$ 45,000.00	\$ 45,000.00	\$ 150,000.00	\$ 150,000.00	\$ 120,845.00	\$ 120,845.00
2	PVC Sewer Pipe	30	LF	\$ 33.00	\$ 990.00	\$ 400.00	\$ 12,000.00	\$ 15.00	\$ 450.00	\$ 110.00	\$ 3,300.00	\$ 114.23	\$ 3,426.90
3	PVC Floor Drain Pipe	70	LF	\$ 50.00	\$ 3,500.00	\$ 357.14	\$ 24,999.80	\$ 10.00	\$ 700.00	\$ 160.00	\$ 11,200.00	\$ 162.40	\$ 11,368.00
4	2" SDR 17 HDPE Force Main	700	LF	\$ 25.00	\$ 17,500.00	\$ 110.00	\$ 77,000.00	\$ 20.00	\$ 14,000.00	\$ 164.00	\$ 114,800.00	\$ 109.85	\$ 76,895.00
5	Jack and Bore Under Roadway	42	LF	\$ 460.00	\$ 19,320.00	\$ 357.14	\$ 14,999.88	\$ 119.05	\$ 5,000.10	\$ 452.00	\$ 18,984.00	\$ 450.00	\$ 18,900.00
6	Decommission Floor Drain Tank	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,600.00	\$ 3,600.00	\$ 3,680.00	\$ 3,680.00
7	Administration Building Addition Complete	1	LS	\$ 780,000.00	\$ 780,000.00	\$ 772,615.00	\$ 772,615.00	\$ 1,134,947.00	\$ 1,134,947.00	\$ 845,000.00	\$ 845,000.00	\$ 772,225.00	\$ 772,225.00
8	MRF Process Area - Column Repair	2	LS	\$ 3,500.00	\$ 7,000.00	\$ 2,800.00	\$ 5,600.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 3,162.50	\$ 6,325.00
9	MRF Process Area - Lighting and Receptacles												
9a	Building Ceiling Lights	10	EA	\$ 2,000.00	\$ 20,000.00	\$ 3,150.00	\$ 31,500.00	\$ 1,000.00	\$ 10,000.00	\$ 3,200.00	\$ 32,000.00	\$ 3,625.00	\$ 36,250.00
9b	Sump Lighting/Receptacles	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 34,500.00	\$ 34,500.00	\$ 800.00	\$ 800.00	\$ 500.00	\$ 500.00	\$ 615.00	\$ 615.00
9c	Receptacles	21	EA	\$ 200.00	\$ 4,200.00	\$ 214.29	\$ 4,500.09	\$ 300.00	\$ 6,300.00	\$ 100.00	\$ 2,100.00	\$ 115.00	\$ 2,415.00
9d	QC Area Lighting	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 34,500.00	\$ 34,500.00	\$ 4,500.00	\$ 4,500.00	\$ 500.00	\$ 500.00	\$ 1,200.00	\$ 1,200.00
10	MRF Process Area - Work Station and Cameras	1	LS	\$ 90,000.00	\$ 90,000.00	\$ 88,100.00	\$ 88,100.00	\$ 20,000.00	\$ 20,000.00	\$ 86,000.00	\$ 86,000.00	\$ 87,000.00	\$ 87,000.00
11	Miscellaneous Work and Cleanup	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 28,500.00	\$ 28,500.00	\$ 1,500.00	\$ 1,500.00	\$ 20,000.00	\$ 20,000.00	\$ 18,500.00	\$ 18,500.00
12a	Machinex Allowance	1	LS	\$ 6,385.00	\$ 6,385.00	\$ 6,385.00	\$ 6,385.00	\$ 6,385.00	\$ 12,770.00	\$ 6,385.00	\$ 6,385.00	\$ 6,385.00	\$ 6,385.00
12b	Door Hardware Allowance	1	LS	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00
TOTAL BASE BID (Items 1-12)					\$ 1,031,495.00		\$ 1,275,799.77		\$ 1,271,567.10		\$ 1,311,969.00		\$ 1,173,629.90
ALTERNATE BID ITEMS													
1A	Loading Dock Repair	1	LS	\$ 6,000.00	\$ 6,000.00	\$ 3,700.00	\$ 3,700.00	\$ 3,500.00	\$ 3,500.00	\$ 20,000.00	\$ 20,000.00	\$ 6,270.00	\$ 6,270.00
2A	Exterior Door Cover	1	LS	\$ 4,000.00	\$ 4,000.00	\$ 3,300.00	\$ 3,300.00	\$ 7,400.00	\$ 7,400.00	\$ 10,000.00	\$ 10,000.00	\$ 5,695.00	\$ 5,695.00
3A	Wall Surface Repair Allowance	1,960	SF	NA	\$ 20,000.00	NA	\$ 20,000.00	NA	\$ 20,000.00	NA	\$ 20,000.00	NA	\$ 20,000.00
4A	Safety Eyewash/Shower and Water Heater	1	LS	\$ 70,000.00	\$ 70,000.00	\$ 73,000.00	\$ 73,000.00	\$ 60,000.00	\$ 60,000.00	\$ 68,000.00	\$ 68,000.00	\$ 71,000.00	\$ 71,000.00
5A	Building Ceiling Lights (Additional)	13	EA	\$ 1,000.00	\$ 13,000.00	\$ 1,800.00	\$ 23,400.00	\$ 307.70	\$ 4,000.10	\$ 1,454.00	\$ 18,902.00	\$ 21,735.00	\$ 21,735.00
6A	Walkway Lighting	1	LS	\$ 8,000.00	\$ 8,000.00	\$ -	\$ -	\$ 2,000.00	\$ 2,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,950.00	\$ 1,950.00

NOTES:

- Holden, Bar, and HM Kern had an error in Bid Item #8, the item is a lump sum, but there are two units. Corrected by unit price. Highlighted in blue.
- Holden's proposal form did not include any written prices in words, as requested on the form, except for the allowance items.
- S&S had an error in its written price for Bid Item #5; the price was corrected by the unit price (reduced from \$50,000 to \$5,000). They also had an error for Bid Item #12a, which was doubled from the allowance provided. Additionally, S&S had a significant mathematical error that reduced the price as provided in the bid opening from \$1,413,467 to \$1,271,567.10; the corrected number includes the errors as discussed.
- Dreambuilt had an error in its written unit price for Bid Item #9a and Alt Bid Item #5A. The written unit price was the same as the final price, but there were 10 units for item 9a and 13 units for item 5A. Used final price for calculation. Also, written out unit prices for Bid Item #s 8 and 9c did not match unit price, but matched final price. Highlighted in yellow and blue (final number).
- Several values were rounded by the contractor. The green highlighted cells reflect the calculated value based on the unit price.

BID TABULATION WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION.


Martin D. Sanford, P.E.