



LOWM 093760

MEMORANDUM

TO: Eric Traub, Chief Financial Officer

FROM: Edward P. Pluciennik, PE, Township Engineer 
Joann Ma, Project Manager 

DATE: May 30, 2019

SUBJECT: Township Administration Building RTU #2 Replacement
Bid Review / Award Recommendation
LMT Contract No. 4025-19-16

As requested, we have reviewed the following bids submitted by the apparent low bidders for the above-referenced project and are herewith providing our recommendation for award.

By way of background, the project was initially bid March of this year, where the apparent low bids by Clipper Pipe & Service, Inc for the Mechanical HVAC and General Construction contracts totaled to \$381,276.00, which was \$81,276.00, or 27%, more than the construction budget of \$300,000. The construction cost estimate used in establishing the budget was prepared using input from the vendor providing the rooftop equipment (RTU) and Building Management System (BMS) integration, early in the design process. At the time the project was bid, the cost of these items provided by the vendor to the bidders was significantly higher due to market conditions and new tariffs on materials, and the vendor included additional items beyond the specified scope. The bids were rejected.

We revisited the design and construction cost estimate as well as met with the vendor to review and clarify the scope. The updated construction cost estimate, reflecting the amended scope and revised higher vendor costs, is \$350,000 to \$360,000. The project was rebid, and the following are the apparent low bids:

<i>Mechanical</i>	Clipper Pipe & Service, Inc		
<i>HVAC</i>	Base Bid	\$	265,000.00
<i>Construction</i>	Contingencies	\$	3,000.00
	Total Bid Amount for Mechanical HVAC Construction		\$ 268,000.00
<i>General</i>	Clipper Pipe & Service, Inc		
<i>Construction</i>	Base Bid	\$	107,000.00
	Deduct Alternate: If Contractor Awarded Both Contracts	\$	- 20,000.00
	Total Bid Amount for General Construction		\$ 87,000.00
	Total Contract Amount		\$ 355,000.00

We find the total price bid of \$355,000 to be reasonable for the items of work required. Although, the bid is \$55,000, or 18%, more than the construction budget of \$300,000, it is within the aforementioned updated construction cost estimate of \$350,000 to \$360,000. The bid is also \$26,276 less than the original bid from March. Please note the \$3,000 of contingencies will only be used if and when directed by the Township.

Therefore, we recommend that the contract be awarded to the respective low bidders listed above, contingent upon the remainder of the contract requirements being in order. Funds are available through the Capital Projects Fund #4025 – Facilities Improvements Project.

We trust that this memorandum adequately addresses this matter. As always, please feel free to contact us if you have any questions or if you wish to discuss any of the above.

cc: Ernie B. McNeely, Township Manager
Paul McElhaney, Director of Public Works
Al Augustine, Facilities Maintenance Supervisor

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