



**TOWNSHIP
OF
LOWER MERION**
MONTGOMERY COUNTY


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LOWM 093905

MEMORANDUM

TO: Eric Traub, Chief Financial Officer

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

DATE: November 6, 2019

SUBJECT: Mill Creek Pump Station Grit System Upgrade
Bid Review / Award Recommendation
LMT Contract No. 4744-19-26

As requested, we have reviewed the bids submitted for the above referenced project and are herewith providing our findings and recommendation for award.

Seven bids were received from qualified contractors for this project, four of which, including the apparent low bidder, have successfully completed projects for the Township in the past.

The base bids range from a low of \$480,824 to a high of \$704,900 with an outlier at \$897,334. The Add Alternate is not recommended and will be discussed later in this memorandum. The low base bid, submitted by Heisey Mechanical, Ltd., is 30%, or \$110,824, above the Engineer's Estimate of \$370,000.

Our review of the bids, included discussions with the low bidder; the vendor whose equipment was cited as an acceptable system to establish a baseline for function, performance, and quality; and an electrical subcontractor who provided a quote to some of the bidders, along with a review of the items that were the basis of the Engineer's Estimate.

The following are our findings:

- The bidding was competitive, given that there were seven bids from responsible bidders.
- The low base bid received, although 30% higher than the Engineer's Estimate, appears reasonable, based on market conditions.
- The Engineer's Estimate was found to understate the cost of the vendor supplied equipment and the labor to perform the installation.
 - The vendor confirmed that the actual equipment cost was significantly higher than that provided during the design phase and that the correct cost was provided to all, but the low bidder, who is providing comparable equipment from another vendor.
 - The low bidder indicated that his installation costs were higher than the Engineer's Estimate, reflecting an anticipated high level of difficulty in installing the equipment, due to the physical constraints presented by the Pump Station structure and the limited work space. Since there are six higher bids, this assertion appears to be reasonable.
 - If these two aforementioned items were known prior to bidding, the Engineer's Estimate would have been increased accordingly.

If all bids are rejected by the Board and the project re-bid, we would anticipate similar, if not higher bids. Therefore, we recommend that the contract for the base bid only, in the amount of \$480,824.00, be awarded to Heisey Mechanical, Ltd., contingent upon the remainder of the contract requirements being in order. Funds are available through the Capital Projects Fund #4744 – Grit Removal System Replacement Project.

We do not recommend awarding the Add Alternate, because the price bid appears to be high for the value of the work. The work can be deferred, and a more cost-effective means of implementation explored, possibly using staff to perform the work.

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
Andrea Thompson, PE, Assistant Director of Public Works
Al Augustine, Acting Sanitary Sewer Supervisor

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