



Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE & ADMINISTRATION

Jim Gray
Mayor

Jane C. Driskell
Commissioner

MEMORANDUM

To: Mayor Jim Gray

From: Todd Slatin, Acting Director
Division of Central Purchasing *(Signature)*

Date: April 18, 2012

Subject: **Bid #117-2011 – Hydraulic Differential Clarifier**

Bids were received in the Division of Central Purchasing on November 28, 2011 for the purpose of establishing a price contract for Hydraulic Differential Clarifiers for the Division of Water Quality. The initial purchase will be for (2) units for the current fiscal year ending June 30, 2012 with additional units to be purchased on an “as-needed” basis as budget allows.

Notifications were sent to (174) bidders via Economic Engine with 27 viewing the document. Three (3) bids were received. The bid submittal unit prices are as indicated below:

- Hi-Tech Environmental, Inc
 - a. 115 ft. diameter clarifier: \$173,167.00/unit
 - b. 125 ft. diameter clarifier: \$177,568.00/unit
- Envirodyne Systems, Inc
 - a. 115 ft diameter clarifier: \$246,000.00
 - b. 125 ft diameter clarifier: \$257,000.00/unit
- Ovivo USA, LLC
 - a. 115 ft diameter clarifier: \$275,582.00
 - b. 125 ft diameter clarifier: \$278,449.00/unit

The Division of Water Quality in the exercise of due diligence has carefully reviewed and researched the proposed products for each of the three (3) received bid submittals and has determined that the bid submitted by **Ovivo USA, LLC**, while not the lowest priced bid submittal, is the best qualified Bidder to meet all Bid Specifications without exception and/or to provide acceptable “or equal” alternatives and, as such, recommends award of **Bid #117-2011 – Hydraulic Differential Clarifier** to **Ovivo USA, LLC**.

The “low bid” submittal provided by Hi-Tech Environmental, Inc is rejected for failure to meet original “Bid Specifications” and failure to provide acceptable “or equal” alternative(s) as indicated below:

- Seventeen (17) exceptions identified
 - DWQ has determined that all seventeen exceptions to the original Bid Specifications are for inferior materials of construction and/or design and cannot be considered “or equal” alternatives

The “next lowest bid” submittal provided by Envirodyne Systems, Inc identified five (5) exceptions to the original “Bid Specifications” and provided an acceptable “or equal” alternative to four (4) of the five (5) exceptions. The

one (1) and only exception to the original "Bid Specifications" for which Envirodyne failed to provide an acceptable "or equal" alternative and the resulting decision by the DWQ to not recommend "Bid Award" to Envirodyne is as indicated below:

- **Bid Specification:**
 - **Gear Drive Mechanism:** *"...designed such that the gear, bearing balls, and raceways can be removed for service or replaced without removing the access bridge, gear housing, or disconnecting the drive cage and anything attached thereto from the drive assembly. All repairs or replacement of drive components can be performed without dewatering the collector basin or disrupting flow through the basin".*
 - **Status:** Envirodyne cannot offer this design feature and failed to provide an "or equal" alternative
- **DWQ decision factors:**
 - **Cost savings:**
 - The above indicated specification and/or Design feature provide(s) the means for which all repairs and/or replacement of gear drive mechanism and/or associated components can be performed by DWQ maintenance personnel with the use of a portable hoist with a one (1) ton capacity
 - "Units" without this design feature require the use and associated cost(s) of a mobile crane and general contractor for repairs and/or replacement of the gear drive mechanism and/or associated components
 - Current and past repair cost(s) to existing clarifier equipment **without** this design feature range between \$25,000.00 - \$65,000.00 per unit
 - **Equipment Downtime:**
 - The above indicated specification and/or design feature(s) provide for and facilitate the efficient and timely replacement and/or repair(s) of clarifier gear drive mechanism(s) and/or associated components due to equipment failures. Typically, as indicated above, replacement and/or repairs of the gear drive mechanism and/or associated components can be completed within a single eight (8) hour work shift with DWQ maintenance personnel and equipment.
 - Conversely, "equipment downtime" due to replacement and/or repairs of gear drive mechanism and/or associated components for "units" **without** this feature can and in most cases does span multiple weeks and/or months
 - Consider the following "equipment downtime" examples for both the Town Branch and West Hickman WWTP's due to gear drive mechanism and/or associated component failure(s) for existing clarifier equipment **without** this design feature:
 - Town Branch WWTP:
 - Final Clarifier #6: "Out of Service" for repairs, 02/18/2010 – 06/16/2010
 - West Hickman WWTP:
 - Final Clarifier #5: "Out of Service" for repairs, 02/12/2012 – 04/04/2012(estimated)
 - Each day of final clarifier "OOS" status for either WWTP is another day of increased risk for exceeding plant effluent discharge limits per the Kentucky Pollutant Discharge Elimination System (KPDES) permit(s) which could result in fines and/or other sanctions by the Regulatory Authority.

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To surmise, in consideration of "Bid Specification" compliance, initial per unit cost and maintenance cost(s) for the 20+ years of serviceable life for each "product/unit" for which a "bid submittal" was received the Division of Water Quality has identified **Ovivo USA, LLC** as providing the "overall" best bid quote and therefore recommend(s) award of **Bid #117-2011 – Hydraulic Differential Clarifier** to **Ovivo USA, LLC**.

The bid submitted by **Ovivo USA, LLC** meets bid specifications and is within budgetary constraints. Therefore, in agreement with the Division of Water Quality, I recommend the bid by **Ovivo USA, LLC** be accepted.