

Memo



To City Manager and City Council

From Carl R. Ray, Water and Wastewater Director

Date 11/07/2024

Subject **Award Recommendation for Water/Wastewater Generators**

We realized many years ago that new or replacement standby generators for the Water Treatment Plant and the aeration section of the Wastewater Treatment plant were necessary. The Water Plant Generator is from the 1983 upgrade and not of sufficient size to allow operation of the plant. The aeration section of the Wastewater Treatment Plant does not have standby power generation which can lead to poor effluent quality in the event of an extended power outage. We started exploring standby generation options in 2020.

We worked with our engineering team to ensure generator sizing was correct and started looking at funding opportunities. We became aware of Congressionally Directed Spending grants, applied for a grant and were eventually awarded \$1,080,000.00 to be used on either or both generators.

Our engineering team prepared an RFP that was released on June 26th, 2024 and bids were opened July 24th, 2024. The bids were evaluated, scored, and a recommendation made. The grant is being administered by the United States Environmental Protection Agency (EPA) and all the bid documents and the procedure had to be reviewed by EPA prior to any award. One aspect of the grant is that the materials needed to comply with the Build America Buy America Act (BABA). EPA did not take exception to our bidding process, but we had difficulty meeting the rigorous BABA requirement with the lowest bid.

After a lot of discussion with EPA and trying to understand if an exception applied to our situation, we found out that since we started engineering prior to 2022, we may qualify for BABA Amended Public Interest Waiver. The documentation was submitted to EPA and we were notified that we did in fact qualify for the waiver, so we are able to purchase from the lowest bidder.

Supporting documents are being supplied by our engineering team and we recommend awarding both generators to Smith Power Products. One award for the Water Treatment Plant for the generator and alternate bid items in the amount of \$319,220.00 The other for the Wastewater Treatment Plant generator, Automatic Transfer Switch (ATS) and alternate bid items in the amount \$175,222.00.

November 7, 2024

Carl Ray
Water & Wastewater Director
City of Craig
300 W 4th Street
Craig, CO 81625

RE: Bid Award Recommendation – WTP & WWTF Genset Procurement

Dear Carl,

The City of Craig received three proposals on July 24, 2024, in response to a Request for Proposal (RFP) for the procurement of a WTP Generator, a WWTF Generator, a WWTF ATS, and associated warranty & maintenance contracts. The equipment will be pre-procured for the City of Craig WTP & WWTF Emergency Generator project. The three bidders were Cummins, Generac and Smith. All proposals met technical specifications. Additionally, upon the receipt of our BABA waiver on November 6, 2024, all proposals were determined to comply with funding requirements.

To conduct the procurement in a manner that provides, to the maximum extent, practical, full, and open competition, all bids were assessed quantitatively based on, cost, WTP generator lead time, WWTF generator lead time, ATS lead time, warranty duration, and consistency with existing equipment. In addition, all procurement materials and practices were reviewed by the funding administrative agency, the EPA. The scoring table and bid tabulation are shown below.

		SMITH		CUMMINS		GENERAC	
CRITERIA	WEIGHTING FACTOR	SCORE	WEIGHTED SCORE	SCORE	WEIGHTED SCORE	SCORE	WEIGHTED SCORE
Cost	100	5	500	1	100	3	300
WTP Generator Lead Time	50	5	250	3	150	1	50
WWTF Generator Lead Time	50	5	250	3	150	3	150
ATS Lead Time	50	1	50	3	150	5	250
Warranty Length	50	1	50	5	250	1	50
Consistency with Existing Equipment	20	3	60	3	60	0	0
TOTAL WEIGHTED SCORES:			1160		860		800

CITY OF CRAIG - WTP & WWTF GENERATORS PRE-PURCHASE

		Bid - Cummins		Bid - Smith Power		Bid - Generac		RECOMMENDATION [Note 3]	
Item #	Description	Price	Delivery Date	Price	Delivery Date	Price	Delivery Date	Price	Delivery Date
1	WTP Generator	\$366,365.00	34-36 weeks	\$286,750.00	Nov 2024 [Note 1]	\$314,437.00	56 weeks	\$286,750.00	Nov 2024 [Note 1]
2	WWTF Generator	\$289,829.00	34-36 weeks	\$135,750.00	22 weeks [Note 2]	\$159,442.00	36 weeks	\$135,750.00	22 weeks [Note 2]
3	WWTF ATS	\$34,110.00	28-30 weeks	\$21,650.00	44 weeks	\$17,593.00	12 weeks	\$21,650.00	44 weeks
Add Alt 1	Maintenance Contract	\$53,540.00	N/A	\$40,000.00	N/A	\$71,125.00	N/A	\$40,000.00	N/A
Add Alt 2	Extended Warranty	\$15,843.00	N/A	\$10,292.00	N/A	\$9,040.00	N/A	\$10,292.00	N/A
TOTALS		\$759,687.00	N/A	\$494,442.00	N/A	\$571,637.00	N/A	\$494,442.00	N/A
Notes 1. This represents a pre-ordered stock unit expected in Nov 2024, regardless of order date as long as order is within 30 days of bid submission. 2. As originally submitted, this generator did not meet capacity specifications. Per email clarification from the bidder, the original submitted price will be honored for a corrected model number that does meet the specification. The lead time shown here is for the corrected product that does meet specification. 3. Refer to scoring table for selection criteria and score calculation used to arrive at this recommendation.									

Based on our quantitative review of the proposals presented in the scoring table, it is our opinion that the contract should be awarded to Smith for the WTP Generator, WWTF Generator, WTP ATS, and associated warranty and maintenance contracts. The pre-purchase agreement is attached hereto to complete award.

If you have any questions or we can be of any further service, please contact me directly.

Respectfully,
SGM

Elle Coe, E.I.
 Project Engineer

SMITH PPA



Equipment Supply Agreement

Date: June 19th, 2024

Purchase Order No. _____

Project Name: City of Craig Water Treatment Plant & Wastewater Treatment Plant Generator Purchase

[Buyer] City of Craig
[Address] 300 W. 4th Street
Craig, CO 81625

Attention: Peter Brixius

For this letter City of Craig is the "Buyer" Smith Power Products, Inc is the "Seller". This letter agreement defines Buyer's required terms and conditions for sole source supply of equipment.

1. Scope of services:

- Provide the following equipment, together as a single bid with cost broken out per item. Refer to attached technical specifications for detailed performance and submittal requirements.

	Description	Preferred Delivery Date	Cost	Guaranteed Delivery Date
ITEM 1	Water Treatment Plant Generator	Summer 2024	\$286,750.00	Nov 2024
ITEM 2	Wastewater Treatment Plant Generator	Summer 2024	\$135,750.00	22 Weeks ARO
ITEM 3	Wastewater Treatment Plant ATS	Summer 2024	\$21,650.00	44 Weeks ARO *See note below
ADDITIVE ALTERNATE 1	Five Year Maintenance Contract	N/A	\$40,000.00	
ADDITIVE ALTERNATE 2	Extended Warranty	N/A	\$10,292.00 5YR Comp	

- If guaranteed delivery dates are dependent upon order dates, provide the following additional information:
 - The dates by which the submittals must be approved in order to guarantee the delivery date for each item.
 - How the cost and guaranteed delivery date of each item will change if the submittal is not approved by that date.
- Award will be at Owner's discretion based solely on their determination of the best interest of the project, including:
 - Conformance with technical specifications
 - Conformance with Request for Proposal
 - Cost
 - Delivery Date
 - Service Contract Terms and Cost
 - Warranty Terms

- Project is funded by EPA Community Grants and is therefore subject to the programs Disadvantaged Business Enterprise (DBE), Building America, Buy America (BABA), and American Iron and Steel (AIS) requirements.
- 2. The manufacturer's general terms and conditions will apply except as modified herein and in the attached product specifications.
- 3. Contract dates:
 - RFP Release Wednesday, June 26th
 - Proposals Due (Includes Shop Drawings) Wednesday, July 24th, 12:00 pm MST
 - Award Notification Dependent EPA review time (Proposal process documentation and award recommendation to be submitted to EPA by Wednesday, July 31st)

Installation project to be bid separately at a later date. Project construction schedule is to be determined based on delivery dates offered by successful vendor.

- 4. Payment Terms
 - a. 10% upon fully executed contract
 - b. 80% upon delivery of equipment to the site
 - c. 10% upon successful startup, training, and acceptance of O&M Manuals
- 5. Bid Requirements
 - Provide line-item costs for each piece of equipment specified in the scope of supply, along with guaranteed delivery date. Line item costs will be used for bid evaluation against project budget; award of all items will be to a single vendor.
 - Provide start-up services and all technical materials described in submittal sections of the attached specification document for each piece of equipment.
 - Proposals due to City of Craig Clerk by 12pm MST on the date shown above. Electronic submittals only.
 - All costs, including F.O.B. point of manufacture with freight allowed to jobsite.

Please indicate your agreement to the foregoing by countersigning this letter, retain one fully signed counterpart for your files and return a copy to SGM via email at chadp@sgm-inc.com.

Agreed to above:

_____ [Seller]

Signature: _____

By: _____
{Typed name}

Title: _____

Date: _____

Agreed to above:

{Buyer}

Signature: _____

By: Darrell Caldwell
{Typed Name}

Title: Sales

Date: 7/23/2024

Note 1: Due to continued extended lead times for Service Entrance Rated transfer switches, a deduct of (\$7,200.00) is offered to supply a non-SER switch with the same features specified. A separate 800A disconnect would be required and provided by others. The non-SER ATS option is still 22 weeks lead time ARO. Smith Power "can" supply the loose 800A disconnect for the \$7,200.00 but will not be per-spec included "in the ATS".

Note 2: A temporary, non-SER ATS can be provided during either standard lead time construction for \$1500 rental fee.

Note 3: Offloading not Included. Fuel delivery is not included. State testing for fuel tank compliance/certification is included.

Note 4: Full submittals provided within 2-3 days of NTP.