

**Condensed Title:**

Request for Approval to Reject All Bids Received Pursuant to Invitation to Bid No. 45-08/09, for City of Miami Beach Sanitary Sewer System Improvements – Sanitary Sewer Rehabilitation (Basins 11, 19, 27B, 28D, 29, 31A AND 31B), and Utilizing Job Order Contracting for the Construction of the Project.

**Key Intended Outcome Supported:**

Ensure well-maintained infrastructure

**Supporting Data (Surveys, Environmental Scan, etc.):**

The 2007 Miami Beach Customer Service Survey indicates cleanliness of streets and sewers was rated third most important factor amongst resident influencing their quality of life in the City of Miami Beach.

**Issue:**

Shall the City Commission reject all bids?

**Item Summary/Recommendation:**

The Work for this project includes, but is not necessarily limited to the following:

1. Cleaning and closed-circuit televising (pre and post refurbishment) of portions of the gravity sanitary sewer mains. This work includes approximately 47,000 linear feet of gravity sanitary sewer mains.
2. The rehabilitation of gravity sanitary sewer mains using cured-in-place pipe (CIPP), joint grouting, and/or point repair methods, as directed. This includes approximately 41,000 linear feet of gravity sewers (8, 10, 12, 14, 15, 16, 18, 21, 24, 27 and 30-inch).
3. The replacement of gravity sanitary sewer mains by the open-trench method. This includes replacement of approximately 900 linear feet of sewer mains.
4. The rehabilitation of approximately 200 sanitary sewer manholes.

On August 25, 2009, the Technical Review Panel (TRP) discussed their individual perceptions of each prospective proposer's qualifications, experience, and competence, and ranked the firms accordingly. The TRP voted 4 to 1 to recommend Lanzo Lining Services, Inc., the lowest bidder, for contract award.

After considering the review and recommendation of City staff, the City Manager exercised his due diligence and carefully considered the specifics of this ITB process. As a result, the City Manager requested a comparison proposal be submitted through the City's Job Order Contract (JOC) process as a cost benchmark. Envirowaste Services Group, Inc., the firm who initially performed the sanitary sewer rehabilitation JOC project in early 2009, submitted its JOC proposal based on identical units and quantities as noted in this Bid's specifications and unit cost breakdown form. The results below indicate that the City would save a minimum of \$359,228.22 under the JOC proposal submitted.

• Lanzo Lining Services, Inc. (ITB 45-08/09 Lump Sum Bid)	\$3,492,324.10
• Envirowaste Services Group, Inc. (JOC Proposal)	<u>\$3,133,095.88</u>
	<b>\$359,228.22 Savings</b>

The Public Works Department is currently evaluating the JOC proposal received and shall engage in value engineering to further reduce the project's cost and time of completion that will provide further savings to the City.

The City Administration recommends the rejection of all bids received pursuant to ITB 45-08/09 for City of Miami Beach sanitary sewer improvements – sanitary sewer rehabilitation (Basins 11, 19, 27B, 28D, 29, 31A and 31B) and utilizing Job Order Contracting for the construction of the project.

**Advisory Board Recommendation:**

**Financial Information:**

Source of Funds:	Amount	Account	Approved
1	N/A		
<b>OBPI</b>	<b>Total</b>		

**Financial Impact Summary:**

**City Clerk's Office Legislative Tracking:**

Fred Beckman Ext. 6012

**Sign-Offs:**

<b>Department Director</b>	<b>Assistant City Manager</b>	<b>City Manager</b>
GL PFB <i>[Signature]</i>	TH PDW <i>[Signature]</i>	JMG <i>[Signature]</i>

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Agenda Item R2A  
Date 9-9-09





# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: September 9, 2009

SUBJECT: **REQUEST FOR APPROVAL TO REJECT ALL BIDS RECEIVED PURSUANT TO INVITATION TO BID NO. 45-08/09, FOR CITY OF MIAMI BEACH SANITARY SEWER SYSTEM IMPROVEMENTS – SANITARY SEWER REHABILITATION (BASINS 11, 19, 27B, 28D, 29, 31A AND 31B), AND UTILIZING JOB ORDER CONTRACTING FOR THE CONSTRUCTION OF THE PROJECT.**

### ADMINISTRATION RECOMMENDATION

Rejection of all bids received.

### KEY INTENDED OUTCOMES SUPPORTED

Ensure well-maintained infrastructure

### ANALYSIS

As a Volume Sewer Customer (VSC), the City of Miami Beach must comply with the requirements of the VSC Ordinance 96-166. In accordance with one component of the VSC Ordinance 96-166, the City completed the sanitary sewer evaluation survey (SSES). The SSES project is comprised of several phases including Phase I: System Flow Monitoring, Phase II: Sanitary Sewer Evaluations, and Phase III: Rehabilitation.

The SSES Phase I and II studies presented the system flow monitoring plan and flow monitoring results for all of the City's 25 sanitary sewer basins. The flow monitoring quantified the infiltration in each sewer basin. The results of Phases I and II identified seven basins, as referenced in the scope of the project, exceeded the Miami-Dade Department of Environmental Resources Management (DERM) mandated maximum allowable infiltration criterion of 5,000 gallons per day per inch diameter mile (gpd/idm).

As a result, the City is currently under a DERM Consent Agreement requiring rehabilitation of sanitary sewer systems in the referenced seven non-compliant basins. To meet the deadline imposed by the Consent Agreement, the City executed a contract through the Job Order Contracting (JOC) procurement system for the execution of CCTV inspection, manhole inspection, and the physical rehabilitation of the previously unrehabilitated sanitary sewer lines and manholes. The JOC project was completed in March 2009. The remaining work to be performed under this contract is identified in the scope of services.

**SCOPE OF SERVICES**

Work to be performed under this Contract shall include all labor, materials, equipment and incidentals required and perform the modifications, repairs or replacements to the sanitary sewer system in their entirety as shown on the Drawings and as specified in the Contract Documents.

The Work includes, but is not necessarily limited to the following:

1. Cleaning and closed-circuit televising (pre and post refurbishment) of portions of the gravity sanitary sewer mains. This work includes approximately 47,000 linear feet of gravity sanitary sewer mains.
2. The rehabilitation of gravity sanitary sewer mains using cured-in-place pipe (CIPP), joint grouting, and/or point repair methods, as directed. This includes approximately 41,000 linear feet of gravity sewers (8, 10, 12, 14, 15, 16, 18, 21, 24, 27 and 30-inch).
3. The replacement of gravity sanitary sewer mains by the open-trench method. This includes replacement of approximately 900 linear feet of sewer mains.
4. The rehabilitation of approximately 200 sanitary sewer manholes.

Associated work includes pipe dewatering, by-pass pumping, groundwater dewatering, trimming of intrusions, maintenance of traffic and traffic control, permitting, Pipeline Assessment and Certification Program (PACP) reports, excavation and backfill, restoration, and all other appurtenances and miscellaneous related items and work for a completed project.

The pipe segments requiring rehabilitation under this contract are scattered throughout various areas of the City designated by basins. Included are:

- a. *Basin 11* – bounded to the north by 23<sup>rd</sup> St., south by 15<sup>th</sup> St., east by the Atlantic Ocean and to the west by Convention Center Dr. and Dade Blvd./Pine Tree Dr. – 27,000 linear feet of sanitary sewer
- b. *Basin 19* – bounded to the north by 72<sup>nd</sup> St., to the south by 65<sup>th</sup> St., to the east by the Atlantic Ocean and to the west by Indian Creek Dr. – 20,700 linear feet of sanitary sewer
- c. *Basin 27B* – bounded to the north by the 5400 block of Collins Ave., to the south by 4500 block of Collins Ave., to the east by the Atlantic Ocean and to the west by the Indian Creek – 8,400 linear feet sanitary sewer
- d. *Basin 28D* – bounded to the north by the 4500 block of Collins Ave., to the south by 23<sup>rd</sup> St., to the east by the Atlantic Ocean and to the west by Indian Creek Dr. and Collins Ave. – 31,900 linear feet of sanitary sewer
- e. *Basin 29* – bounded to the north by 65<sup>th</sup> St., to the south by the 6000 block of Collins Ave., to the east by the Atlantic Ocean, and to the west by Allison Island – 12,600 linear feet of sanitary sewer
- f. *Basin 31A* – bounded to the north by 1<sup>st</sup> St. and 4<sup>th</sup> St., to the south by South Pointe Park and Government Cut, to the east by Ocean Dr. and to the west by Alton Rd. – 13,900 linear feet of sanitary sewer
- g. *Basin 31B* – bounded to the north by 5<sup>th</sup> St. and 7<sup>th</sup> St., to the south by 1<sup>st</sup> St and 4<sup>th</sup> St., to the east by Ocean Dr. and to the west by Alton Rd. – 17,700 linear feet of sanitary sewer

The Bidder must submit documentation with its bid package certifying that the proposed repair methods have been used by the Bidder and that said methods meet all American Society Testing Materials (ASTM) requirements outlined in the technical specifications.

**BID PROCESS**

ITB No. 45-08/09 was issued on July 21, 2009, with an opening date of August 21, 2009. The pre-bid conference was held on August 5, 2009.

Bidsync issued bid notices to 2,829 prospective proposers, in addition to 159 prospective proposers contacted via email through the Procurement Division, resulted in the receipt of following four (4) bids:

- Envirowaste Services Group, Inc.
- John Reynolds & Sons, Inc.
- Lanzo Lining Services, Inc.
- Miller Pipeline Corporation

Miller Pipeline Corporation, whose lump sum base bid was \$3,644,452.50, was disqualified for failing to meet the minimum experience requirement of providing a valid Florida Certified General Contracting license.

Of the three (3) responsive bids, the following table provides their proposed lump sum bid prices:

<b>ITB 45-08/09 Bid Tabulation</b>	
<b>Company</b>	<b>Lump Sum Price</b>
Lanzo Lining Services, Inc.	\$3,492,324.10
Envirowaste Services Group, Inc.	\$3,772,495.80
John Reynolds & Sons, Inc.	\$3,877,319.00

The Technical Review Panel (TRP) consisted of the following individuals:

- Jorge Cano, Assistant Director, CIP
- Elie Fakie, Capital Projects Coordinator, Public Works Department
- Anthony Mincy, Sewer Field Operations Supervisor, Public Works Department
- Jose Perez, Civil Engineer III, Public Works Department
- James Zeigler, Chief Plumbing Inspector, Building Department

On August 25, 2009, the TRP convened, evaluated, and ranked the companies based on the following criteria:

- **10 Points** - Risk Assessment Plan/Value Added Submittals
- **10 Points** - Past performance evaluation surveys
- **20 Points** - Presentation and interview of key personnel
- **60 Points** - Base Bid Price

The TRP discussed their individual perceptions of each prospective proposer’s qualifications, experience, and competence, and ranked the firms accordingly. The TRP voted 4 to 1 to recommend Lanzo Lining Services, Inc. for contract award.

**CITY MANAGER’S REVIEW**

In late 2008, staff brought to the City Manager a Job Order Contract proposal to perform the scope of work that is the subject of this bid. A portion of this work was performed and completed due to the timing requirements of the DERM Consent Agreement. However, staff was unable to definitively demonstrate that the JOC Order was a better price than what could be obtained through an ITB, and therefore the remaining scope was placed out to bid. The bid from Lanzo, the lowest bidder, is lower than the JOC Order proposal from late 2008.

After considering the review and recommendation of City staff, the City Manager exercised his due diligence and carefully considered the specifics of this ITB process. As a result, the City Manager requested a second comparison proposal be submitted through the City’s Job Order Contracts from the new set of JOC bids just awarded. Envirowaste Services Group, Inc., the firm who initially performed the sanitary sewer rehabilitation JOC project in late 2008, submitted its JOC proposal based on identical units and quantities as noted in this Bid’s specifications and unit cost breakdown form. The results below indicate that the City would save a minimum of \$359,228.22 under the new 2009 JOC proposal submitted.

- Lanzo Lining Services, Inc. (ITB 45-08/09 Lump Sum Bid) \$3,492,324.10
- Envirowaste Services Group, Inc. (JOC Proposal) \$3,133,095.88  
**\$359,228.22 Savings**

The Public Works Department is currently evaluating the JOC proposal received and shall engage in value engineering to further reduce the project’s cost and time of completion that will provide further savings to the City.

**CONCLUSION**

It should be noted that the City’s regular process of considering the price for projects and its standard process for bidding construction projects has resulted in a price that is reflective of the current market. At present, it appears that the market is very competitive and that the City will continue to receive bids that are lower than those received in the past year or so. The public procurement process, which is an open and competitive, transparent process, has again served the City to provide a competitive price for this project, as it has in the past. Based on the above, the City’s public procurement process has resulted in a competitive price of \$3,492,324.10, which is the best price that the ITB will bring. However, by utilizing the JOC system, the City will save a minimum of \$359,228.22.

The City Administration recommends the rejection of all bids received pursuant to ITB 45-08/09 for City of Miami Beach sanitary sewer improvements – sanitary sewer rehabilitation (Basins 11, 19, 27B, 28D, 29, 31A and 31B) and utilizing Job Order Contracting for the construction of the project.

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