



CITY OF RAPID CITY

Engineering Division

300 Sixth Street
Rapid City, SD 57701-2724
Telephone: (605) 355-3496

MEMORANDUM

To: Rapid City Council Members

From: Dan Coon
Engineering Project Manager

Ref: Co-compost Facility Equipment Bids

Date: July 12, 2001

On July 10, 2001 we received and opened bids for supply and installation of equipment for the proposed Co-composting Facility. As noted on the attached bid tab we received only one qualified bid. This bid was more than twice the Engineer's Estimate of \$3,500,000.00. With this result we have recommended the Council reject the bid. In addition, these results require the project team members to:

- Reevaluate our bidding procedures
- Reevaluate expectations and specifications used for this portion of the project
- Reevaluate the feasibility of composting as the desired method for Water Reclamation Facility biosolids stabilization

Bidding Procedures

Prior to development of the plans and specifications, and bidding of the Co-composting Facility equipment, project team members contacted seven potential equipment suppliers. In addition, various team members visited similar composting facilities throughout North America to evaluate equipment and different composting processes. Based on these visits plans and specifications were developed and the project was advertised on April 14, 2001. Six of the potential equipment suppliers expressed interest in bidding the project. Plans and specifications were transmitted to all six of these interested parties.

An initial prebid meeting was held on April 30, 2001. Several of the bidders noted a scheduling conflict for this prebid meeting so a second prebid meeting was held on May 8, 2001. Two potential bidders attended these prebid meeting, Heil Equipment Company and Sorain Cecchni Tecno. For various reasons other bidders declined to bid the project. Even with only two potential bidders it was decided to move ahead with the bidding process.



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The bidding process consisted of a two-phase approach. The first phase was a technical qualifications stage where the prospective bidders were asked to submit technical information concerning their equipment and proposed facility layout. Following receipt and review of these submittals Heil was authorized to bid on the base bid and Sorain was authorized to bid on the base bid and a proposed alternate. Following this authorization, price bids were prepared and submitted by both parties. The results are as noted on the bid tab.

Sorain, an Italian company, submitted a bid. However, at the last minute they pulled their bid surety from the submittal package citing concerns with payment and performance bonding requirements.

Expectations and Specifications

With receipt of these bids the project team is reevaluating the equipment specifications and expectations for the project. The engineer's estimate was based on a quote received from the Heil Company, a copy of which is attached. During development of the project plans and specifications we did not believe there were large deviations from the overall scope as contained in Heil's letter.

On July 11, 2001 project team members met with a representative from the Heil Company to review the bid. The Heil representative cited items such as perceived increased conveyor capacity, increased screening capacity, the requirement for galvanized handrails and walkways, control systems, and aluminum conduit as the reason for increased cost. Though the project team acknowledges these items may have increased cost we feel they do not justify the magnitude of the price increase.

Composting Alternative

During the Facilities Planning for the Water Reclamation Facility (WRF) several options for biosolids stabilization and disposal were evaluated. Based on this evaluation the co-composting option was selected from both an economical and environmental standpoint. With the resulting bids for co-composting equipment the project team will step back and reevaluate other potential methods for biosolids stabilization and disposal.

**IN-VESSEL COCOMPOST FACILITY EQUIPMENT
CITY OF RAPID CITY
300 SIXTH STREET
RAPID CITY, SOUTH DAKOTA
SWO01-1048
BID TABULATION SUMMARY**

BID OPENING - JULY 10, 2:00 P.M.

BIDDER'S NAME	SORAIN CECCHINI TECNO	THE HEIL CO.	ENGINEER'S ESTIMATE
BID SECURITY	No Bid Security Provided with Bid	10% Bid Bond	NA
BASE BID AMOUNT	Bid Not Recorded	\$7,482,000	\$3,500,000
ADDENDUM ACKNOWLEDGED		4	
Deduct: 17.5 Ton/Hr. Destoner System		\$286,350	
Deduct: Remainder of Destoner System		\$528,500	
Deduct: Chemical Scrubber System		\$504,875	
Add: Upgrade Drum Controls		\$147,300	
ALTERNATIVE BID AMOUNT		No Bid	NA
Deduct: Destoner System			
Deduct: Chemical Scrubber System			
Add: Upgrade Drum Controls			

Staff recommends rejection of bids.



A **DOVER** INDUSTRIES COMPANY

THE HEIL CO. - ENGINEERED SYSTEMS DIVISION

MAIN OFFICE: 205 BISHOPS WAY, SUITE 201, BROOKFIELD, WISCONSIN 53005, U.S.A.
TELEPHONE (262) 789-5530 • FAX (262) 789-5508 • E-MAIL heilco@exerpc.com
WESTERN REGION: 1500 OAK HOLLOW ROAD, CLOVERDALE, CALIFORNIA 95425, U.S.A.
TELEPHONE (707) 894-7724 • FAX (707) 894-7725 • E-MAIL heilco@exerpc.com

VIA FAX TRANSMISSION
805-342-2377

June 29, 2000

FAXED
06/29/00

FILE 00-743

DALLAS WASSERBURGER
THE ALLIANCE
PRICE HOUSE
706 WEST BOULEVARD
RAPID CITY SD 57701

RECEIVED

JUN 30 2000

ALLIANCE OF
ARCHITECTS &
ENGINEERS

RE: RAPID CITY CO-COMPOSTING FACILITY

Dear Mr. Wasserburger

At your request, we are pleased to revise our October 11, 1999 quotation. The proposed scope of work is listed on the attached "List of Services by Heil/SGEE" and Heil Drawing 753E866. Rev. A. Major differences between the quotations are as follows:

1. Reconfiguration of the conveyor system.
2. Deletion of the MSW/biosolids mixer.
3. Deletion of the metal pan style feeder conveyors.
4. Deletion of the refining system dust collection system.
5. Addition of galvanized coating to conveyors, supports and walkways in the primary building.
6. Change from double deck refining screen to single stage.
7. Add two (2) destoners, supports, chutes, conveyors, cyclone, airlock, fans, and walkways.
8. Addition of closed circuit cameras and monitors (4).
9. Revision of electrical controls, mechanical installation and field wiring to reflect the above changes.

PRICING

Price of the equipment and services as described herein is \$3,114,846.00.

Optional price for an installed 70,000 cfm single stage packed
 bed chemical odor control scrubber with electrical controls
 pH controls and pumps is \$462,000.00.

Not included are higher horsepower fans to compensate for the additional pressure drop of
 ductwork and scrubber, ductwork and acid consumption beyond startup.

Based upon the 70,000 cfm airflow from the silos, primary building and destoner air system and
 utilizing a biofilter air velocity of 4 cfm/ft.², the biofilter area should be approximately 17,500 ft.²
 rather than the 4,437 ft.² shown on the Alliance drawings. Use of the scrubber could allow the
 biofilter area to be reduced from 17,500 ft.². The normal air retention time of 60 seconds would
 be proportionately reduced. The 70,000 cfm value could change upon review of required
 building air changes, etc.

Prices do not include taxes. Prices are firm for three (3) months.

WARRANTY

Please see attached.

SCHEDULE

System can be designed, manufactured, installed, tested and ready for commercial operation in
 10-12 months after notice to proceed. Delivery and beginning of installation would occur
 approximately 6-7 months after receipt of order.

GUARANTEES

Guarantees on throughput rate, completion date, etc. can be provided later.

Please do not hesitate to call me at 707-894-7724 regarding questions or comments.

Very truly yours,

THE HEIL CO.

Don Kaminski /mlr

Don Kaminski
 Sales Manager
 Engineered Systems Division

DK:mcb

Enclosures

cc: Craig Grinsteiner/Greg Eighme

THE HEIL CO.
RAPID CITY CO-COMPOSTING PROJECT
RAPID CITY, SOUTH DAKOTA

LIST OF EQUIPMENT AND SERVICES PROVIDED BY HEIL/SGEE

1. SGEE Siloda System.
2. Conveyors.
3. Refining Bivi-Tec screen.
4. Two (2) Destoners and air system.
5. Structural supports.
6. Platforms, catwalks.
7. Head Pulley Magnet
8. Chutes and hoppers.
9. Diverters
10. Electrical Controls
11. Mechanical installation.
12. Electrical wiring.
13. Performance bond.
14. Freight and duty.
15. Design review of Alliance drawings.
16. Operation and maintenance manuals.
17. Startup and testing.
18. As-built drawings.
19. Personnel training.