



May 18, 2015

Joseph Johnson, P.E.
Deputy Director Water & Wastewater
Public Works
100 South Hill Street
Griffin, GA 30223

Re: Award Recommendation – Adjustable Frequency Drive Package #15-015

Dear Mr. Johnson:

On May 12th, 2015 we received four bids for procurement of the Variable Frequency Drive (VFD) for HSP #2 at the Still Branch Water Treatment Plant. The list of bidders is as follows with the manufacturer of the VFD in parenthesis.

1. Cole Electric Technology, Inc. (Eaton)
2. J.M. Clayton (Eaton)
3. McNaughton McKay (Rockwell)
4. PMC Incorporated (ABB)

As stated in the Request for Proposal package, the bids have been evaluated based on the following criteria:

- A. Cost, considering Base Cost and Options
- B. Proposed Schedule
- C. Technical Data
- D. Proposed Payment Schedule of Values
- E. Consideration of Exceptions and Deviations noted
- F. Dimensional Data for proposed equipment

Our initial review of the all proposals was performed to determine if each was a viable alternative technically and physically regardless of cost, schedule and exceptions to terms and conditions. The initial review concluded that all four proposals were viable.

We next made a broad comparison of the cost for both the base bid and options. This comparison concluded that two proposals were considerably lower than the other two when evaluating both the base cost and option costs. The two proposals that justified a much more detailed evaluation were those from McNaughton-McKay (Rockwell VFD) and J.M. Clayton (Eaton VFD).

We made a detailed review of the two lowest cost proposals and evaluated them with respect to cost, schedule, technical clarifications/exceptions, and commercial terms and conditions. The review required some follow-up with each of the two suppliers. The responses we received from both suppliers allowed us to conclude that both were acceptable technically. We have not



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attempted to resolve exceptions taken to the terms and conditions provided in the RFP package. The McNaughton-McKay (Rockwell) proposal identified specifically the exceptions proposed. The J.M. Clayton proposal simply stated that the package is offered per Eaton Standard Selling Policy. With either proposal a final negotiation of procurements terms and conditions will be necessary prior to executing a purchase agreement.

We have compiled information from all the proposals on the attached forms as follows:

1. Price Summary Form – breakdown of cost for base bid and options
2. Commercial Summary Form – matrix of criteria for review of schedule, payment terms, liquidated damages clause, and other clarifications.
3. Technical Evaluation Summary Form – provides comparison of size (footprint), weight, technical clarifications, and other required acknowledgements.

A summary of the cost breakdown for the two finalists is as follows:

	<u>Mc-Mc (Rockwell)</u>	<u>J.M. Clayton (Eaton)</u>
Base Cost (excluding spare parts)	\$185,777.83	\$189,165.00
Total Base Cost (including spare parts)	\$194,611.18	\$215,995.00
Total Base Cost plus 4 th & 5 th Year Warranty	\$198,811.18	\$252,095.00
Base Cost plus Ext. Warranty plus 2 nd VFD	\$373,505.63	\$462,340.00

The McNaughton-McKay proposal is low across the board, and the spread between it and the next lowest cost continues to increase as options are included.

As we have discussed on the telephone, the only significant advantage to the J.M. Clayton proposal is the shorter overall timetable for delivery (appears to be an 8 week advantage). We understand that the shorter delivery may offer a reduced risk to the City of Griffin for making the improvements to the critical high service pumping at the Still Branch plant. As a result, we have



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approached McNaughton-McKay about the possibility of accelerating the delivery schedule and what impact that may have on the proposal cost. We are awaiting an official response from Rockwell. Regardless of that outcome, our recommendation is to select McNaughton-McKay as the supplier and proceed with final negotiation of terms and conditions.

Please do not hesitate to call if you have specific questions or require further clarification. I can be reached at (816) 822-3149 or via email at ckoenig@burnsmcd.com.

Sincerely,


A handwritten signature in black ink that reads "Craig M. Koenig".

Craig M. Koenig, P.E.
Project Electrical Engineer

CMK/

Enclosure Attachment

cc: Rebecca Clay, Burns & McDonnell Project Manager

 PRICE SUMMARY Project No.:83886 Still Branch WTP VFD 15-015 - Adjustable Frequency Drive(s)					
Budget:	TBD	#1	#2	#3	#4
Bidder's Name-->		Cole Electric Technology inc (Eaton)	JM Clayton (Eaton)	McNaughton McKay (Rockwell)	PMC Incorporated (ABB)
Bidder's Contact Information-Name-->		John Best	Ricky Ellington	Leanne French	Walter Alexander
Bidder's Contact Information-Phone-->		404-472-1314	706-647-8168	404-293-5081	478-944-2848
Quote/Proposal No. / "No Bid"-->		Package #15-015	AT100501X5K1	JM1765	33970268
Date-->		11-May-15	12-May-15	8-May-15	5-May-15
Price Breakdown Specified					
Base Requirements Specified					
1-Adjustable Frequency Drive for HSP-2	X	\$ 233,000.00	\$ 174,515.00	\$ 160,722.25	\$ 204,712.00
2-Specified and Reommended Installation Spare Parts	X	\$ 37,495.00	\$ 26,830.00	\$ 8,833.35	\$ 98,069.85
3-Freight	X	\$ 5,780.00		\$ 3,083.33	\$ 3,267.00
4-Field Services	X	\$ 8,575.00	\$ 6,900.00	\$ 13,972.25	\$ 14,393.37
5-Training at Job Site	X	\$ 7,150.00	\$ 5,750.00	\$ 8,000.00	\$ 13,000.00
6-100% Payment and Performance Bond thru Warranty Period	X	\$ 26,250.00	\$ 2,000.00		\$ 10,833.00
Total Base Amount		\$ 318,250.00	\$ 215,995.00	\$ 194,611.18	\$ 344,275.22
Alternates Specified					
Total Alternates Selected (marked with an "X")		\$ -	\$ -	\$ -	\$ -
Supplier Provided Options					
1-Pre Purchased 4th and 5th Year of Warranty	X	\$ 45,575.00	\$ 36,100.00	\$ 4,200.00	\$ 4,995.00
2-Adjustable Frequency Drive for HSP-1 including all applicable costs	X	\$ 318,250.00	\$ 210,245.00	\$ 174,694.45	\$ 309,275.22
\$194,611					
Total Supplier Provided Options Selected (marked with an "X")		\$ 363,825.00	\$ 246,345.00	\$ 178,894.45	\$ 314,270.22
Commercial Adjustments					
	X				
Total Commercial Adjustment Amount (marked with an "X")		\$ -	\$ -	\$ -	\$ -
Technical Adjustments					
	X				
Total Technical Adjustment Amount (marked with an "X")		\$ -	\$ -	\$ -	\$ -
PRICING SUMMARY					
Total Evaluated Amount		\$ 682,075.00	\$ 462,340.00	\$ 373,505.63	\$ 658,545.44
Over/ (Under) Base Amount		\$ 308,569.37	\$ 88,834.37	BASE	\$ 285,039.81
Over/ (Under) Budgeted Amount		TBD	TBD	TBD	TBD
Ranking		4	2	1	3



Commercial Evaluation

Confidential

	CRITERIA	REQUIREMENT	Cole Electric Technology inc (Eaton)	JM Clayton (Eaton)	McNaughton McKay (Rockwell)	PMC Incorporated (ABB)
1	Technically Acceptable	Yes				
2	Quote/Proposal No.	-	Package #15-015	AT100501X5K1	JM1765	33970268
3	Quote/Proposal Date	-	11-May-15	12-May-15	8-May-15	5-May-15
4	Firm Price Validity	Date			60 days	
5	Drawing Lead Time		4 WKS	4 WKS	8 WKS	28 WKS
6	Total Lead Time to Jobsite		13 WKS ARAD	11 WKS ARAD	15 WKS ARAD	19 WKS ARAD
7	Freight Term					
8	Delivery Location					
9	Manufacturing Point(s)	-	Ashville, NC, USA	Ashville, NC, USA	Caimbridge, Ontario, Canada	New Berlin, WI, USA
10	Not Used	-				
11	Not Used	-				
12	Not Used	-				
13	Warranty Period				36 MONTH FROM START-UP/42 MONTH FROM SHIPMENT. OPTION FOR UP TO 48 ADDITIONAL MONTHS FOR \$2,100 MORE PER YEAR	
14	Payment Terms		30% ARO WITHIN 1 MONTH OF PO. 30% ARAD WITHING 2 MONTHS OF PO. 30% AFTER DELIVERY TO JOBSITE. 10% AFTER PROJECT SUBSTANTIAL COMPLETION	5% DUE AFTER PROVIDED WITH APPROVAL DRAWINGS WITHING 1 MONTH AFTER PO. 85% DUE AFTER DELIVER OF AFD WITHING 4 MONTHS AFTER PO. 10% DUE AFTER PROJECT SUBSTANTIAL COMPLETION.	10% WITH APPROVAL TO MANUFACTURE WITHIN 1 MONTH. 80% WITH SHIPMENT WITHIN 1 MONTH. 10% WITH SUBSTANTIAL COMPLETION WITHIN 180 DAYS OF SHIPMENT	20% OF THE TOTAL VALUE OF THE ORDER PAYABLE IN ADVANCE PAYMENT WITHIN 30 DAYS. 10% AFTER SUBMITTAL DRAWINGS. 70% DUE AT DELIVERY PAYABLE 30 DAYS.
15	Cancellation Terms				Termination clause proposed with potential for percentage of the purchase price	
16	Field Services	Days / Round Trips			1 "LOT", NO DAYS / TRIPS DETAILED	
17	Training	Days / Round Trips			1 DAY confirmed	
18	Drawing LD's	\$/Day, % Cap				
19	Delivery LD's	\$/Day, % Cap				
20	Aggregate LD Cap	% Cap			\$500/day accepted w/ 5% Cap proposed on LD's	
21	Deferred Shipment / Storage					
22	Terms & Conditions			Eaton documentation states that quote is based on Eaton standard terms and conditions. No performance or warranty bond is included.	Proposed modification to transfer title of goods upon delays by buyer. Proposed limitation of liability clause. Request supplier's insurance obligations to be fulfilled by Rockwell Automation. Proposed indemnification clause limiting Supplier's obligations to the extent caused by its negligence or willful misconduct.	
23	Not Used					
24	Additional Comments				1. Proposal stated that Customer is responsible for interconnection of individual shipping units, however, follow-up confirmed that only one shipping section is required and no interconnecting wiring	

TECHNICAL EVALUATION	AFD FOR HSP #2	Manufacturer			
Adjustable Frequency Drive(s)		Cole Electric (Eaton)	JM Clayton (Eaton)	McNaughton McKay (Rockwell)	PMC Incorporated (ABB)
a. Quotation Number		Package #15-015	AT100501X5K1	JM1765	33970268
b. Date		11-May-15	12-May-15	8-May-15	5-May-15
1.0					
a. Compliance/Exception List		Yes	Yes	Yes	Yes
b. Product Technical Specifications		Yes	Yes	Yes	Yes
c. Dimensions (HxWxD)		Did not specify specific model	110in X 101in X 50in; Yes	112in X 112in X 41in; Yes	98in X 115in X 42in; Yes
d. Clearances		No, Dimensions only	No, Dimensions only	Min. aisle = 36"	No, Dimensions only
e. Fabricated (lbs.)		No	7435lb	9800lb	6504lb, main converter only
f. Spare Parts		Price liste, No BoM for included parts	Yes	Yes	Price listed, No BoM for included parts
g. Certifications		No	No	Yes	No
h. Warranty		Yes	Yes	Yes	Yes
i. Delivery Schedule		Yes	Yes	Yes	Yes
j. Clarifications/Exceptions			Power for VFD cooling system and controls to be supplied by internal CPT	6500V rated SGCT devices in lieu of IGBT devices	
k. Clarifications/Exceptions			Drive does not support regeneration	Key interlocking system provided to be installed by others on existing Eaton switchgear/contactar	
l. Clarifications/Exceptions			Eleven (11) digital inputs provided	Mods to Eaton Switchgear//contactor by others	
m. Clarifications/Exceptions			Drive keypad does not display power factor		