



August 31, 2012

Mr. Joe Orlikowski
Rochelle Municipal Utilities
700 West Second Avenue
Rochelle, IL 61068

REF: Bid Review
B1412 K001 RICE NESHAP Improvements

Dear Mr. Orlikowski:

Bids were opened on August 29, 2012 for labor and materials to bring seven engines at the power plant into compliance with the EPA RICE NESHAP regulations. Three bids were received. BHMG reviewed and analyzed the bids for completeness and ability to meet the specification requirements.

Bids were received from:

<u>Bidder Name</u>	<u>Bid Amount, \$</u>
Fairbanks Morse	1,472,695.00
Independent Mechanical Industries	934,000.00
Stenstrom General Contractor	849,600.00

The bid specification, Section 00420 Qualifications, Subsection 2.03.B, states that the Bidder shall submit written proof that the Bidder will complete a minimum 30% of the overall project by his own company and workers. Stenstrom's bid did not include documentation to support this requirement. Major completed projects identified in Stenstrom's bid documentation include two design/build projects that Stenstrom provided 25% of cost with its own work force. Stenstrom's Qualification Statement, Section 3.1, lists the categories of carpentry, concrete, and demo as work Stenstrom normally performs with its own forces. Boiler and piping work are not listed.

The Prequalification documentation submitted in the bid documentation of the next lowest bidder, Independent Mechanical Industries, indicates that they will complete 100% of boiler and piping work without using subcontractors. We estimate at least 40% of Rochelle's project falls into the scope of boilermaker and pipefitter work. This amounts means that Independent Mechanical Industries satisfies qualification section referenced above.

In summary, review of qualification documentation submitted by the two lowest bidders yields the conclusion that Stenstrom General Contractors bid does not satisfy the qualifications section of the bid specification whereas Independent Mechanical Industries does meet the requirements of the bid specifications.

If you have any questions or need additional information, please call at your earliest convenience.

Sincerely,
BHMG Engineers, Inc.

Lincoln Duncan
Vice President