

COMPETITIVE BIDDING PROCESS

MICHIGAN UNDERGROUND STORAGE TANK AUTHORITY



This document defines the competitive bidding process for certain activities to be submitted for reimbursement by the Michigan Underground Storage Tank Authority. Changes from the previously published process are identified in **bold, red text**.

AUTHORITY

Part 215, Underground Storage Tank Corrective Action Funding, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Section 21510(a)(3)(b) states that expenses for items that are not listed on the schedule of costs shall be reasonable and necessary considering conditions at the site base upon a competitive bidding process established by the Authority.

POLICY

The following services are not included in the cost schedule and must be competitively bid by the consultants in accordance with the procedure listed below.

- Excavation, transportation, and disposal of contaminated soil including **associated backfill** that is not performed as an initial response action and the removal of which is necessary to achieve restricted closure ***Bids must specify units in tons for soil removal/disposal and backfill. If a landfill does not weigh incoming soil, then a variance request must be submitted for approval prior to completion of work.***
- Removal and disposal of contaminated liquid (not tank contents) that is not performed as an initial response action
- **Labor exceeding \$6,000.00 of Engineering Design and generation of Bid Specifications of Treatment Systems/ Vapor Mitigation Systems**
- Purchase, construction, and installation of treatment systems
- Purchase construction, and installation of vapor mitigation systems (Passive and/or Active)
- Decommissioning of treatment systems
- Abandonment/replacement of water supply wells
- All Drilling Services exceeding the capacity **of a rig equivalent to a 7000 series “DT” drill rig**

- **Air Knife services exceeding costs listed on the Schedule of Costs and used for a purpose other than borehole clearance or used to advance boreholes without a 'drill' rig.**
- Ultra-Violet Optical Screening Tool, Laser-Induced Fluorescence, or Membrane Interface Probe
- Mobile laboratory services
- Replacement and repair of blacktop or concrete surface cover that was removed or damaged in association with eligible and necessary corrective actions
- Professional surveying services greater than \$2,000 per event
- Demolition of structures as a necessary corrective action to achieve restricted closure (pre-approval of the Administrator is required)

PROCEDURE

1. The claimant or authorized representative must solicit at least three competitive bids for the required service(s). If three responsive bids are not received, the consultant or authorized representative shall solicit bids from additional contractor(s). If a third responsive bid cannot be obtained, the claimant or authorized representative must seek and receive approval from the Authority prior to the services being performed. Failure of the Authority to provide a response within seven calendar days of receipt of the request shall be considered as concurrence.
2. The bid requests provided to the contractors shall be identical, and contractors shall be regionally located if available.
3. Copies of the bid requests and bids must be provided to the Authority along with the Competitive Bid Summary Form. Include copies of dated bid requests and dated communications with unresponsive or non-compliant contractors.
4. If service is to be provided by a sole-source contractor, the claimant or authorized representative shall describe the reason for the sole source contract and seek and receive approval from the Authority prior to the services being performed. Failure of the Authority to provide a response within seven calendar days of receipt of the reason for choosing a sole-source contractor shall be considered as concurrence.
5. The consultant may bid on the service, but their bid must be submitted to the Authority prior to the solicitation of bids from other contractors. This also applies to a general contractor who is bidding on a service and soliciting bids for the same service from other contractors.
6. The lowest responsive bidder shall be accepted unless a compelling reason(s) is provided for why they were not selected. In instances where the lowest bidder is not selected, the claimant or authorized representative shall notify and receive approval from the Authority

prior to having the contractor perform the service(s). Failure of the Authority to provide a response within seven calendar days of receipt of the reason for not selecting the lowest bidder shall be considered as concurrence.

7. Costs will not be reimbursed at any rate (even at the low-bid price) if a non-approved, non-lowest bidder performs the services in question as this goes against the principal of the bids having been competitive.
8. The costs on the invoices submitted for the competitively bid item(s) shall not exceed the bid unit rates.
9. For the generation of accurate and competitive bids, sufficient time should be allotted for bid response, contract awarding, and work implementation.
10. Bid requests must stipulate unit rates be provided and contractor should provide bids in the form of unit rates rather than lump sum amounts. This facilitates invoicing and invoice review where the actual quantity differs from the quantity estimated in the bid request/bid. Examples of units include gallons of liquid disposed, tons of contaminated soil disposed, tons of backfill, square feet of pavement, etc.
11. In cases where there are plans for site redevelopment and excavation, if construction work and environmental work are solicited in the same bid request, for the purposes of MUSTA reimbursement eligibility, bids will be evaluated based on the environmental portion of the work only. If the overall winning bid does not contain the lowest estimate for the environmental work, MUSTA will conclude that the lowest bidder was not selected, and related expenses will not be eligible for reimbursement.

PROGRAM CONTACT INFORMATION:

Michigan Underground Storage Tank Authority

Michigan.gov/MUSTA

517-599-1625 | EGLE-MUSTA@Michigan.gov

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