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March 16, 2015

To: Utilities Purchasing
Joan Dorval, Purchasing Manager
dorvalja@GRU.com
352-393-1253

Dear Ms. Dorval,

Watson Construction hereby uses this correspondence to properly notice the City of Gainesville, Gainesville Regional Utilities (General Manager) and GRU Utilities Purchasing of our timely intent to protest the results of the TRANSPORTATION AND BENEFICIAL REUSE OR DISPOSAL OF DEWATERED BIOSOLIDS bid (Solicitation No. 2015-24).

Watson C&D LLC was found the second apparent successful bidder. For a variety of reasons Found evidenced and articulated in later attachments we submit that WC&D LLC should have been found the successful bidder and been recommended for award of that contract.

While reviewing the bid results over the last several days it became clear that the grading of bids by City officials was incongruous with the bid as submitted. Some items were graded in a questionable fashion, other items as graded were not indicative of the item being graded.

The unsatisfactory and unsuitable application/comparison of the Watson bid documents has/will affect WC&D direct financial interests a negative manner. Not only the direct impact of not having the work and revenues resulting from improperly not being found successful under this bid but it will negatively affect the sustainability and investments we have made in contiguous areas also.

The required adjustment that Watson C&D is calling for is to revise/regrade the submittals properly so that WC&D will be found properly successful and recommended to the Gainesville City Commission for the award of the Bio-solids contract.

All relevant information that the City might need to review this bid protest/appeal is included in the various attachments.

If we can be of service in this matter or more information is required, please do not hesitate to contact Jim Bacom at 352-538-6015.

Sincerely,

A handwritten signature in blue ink, appearing to read "Larry R. Watson", with a long horizontal flourish extending to the right.

Larry R. Watson
CEO, Watson C&D LLC

POTENTIAL BIO-SOLIDS BID ISSUES

- ANNUAL OPERATING COSTS NOT WEIGHTED HIGH ENOUGH @ 45% OF BID PTS?
- Did GRU end up recommending the award to the 3rd lowest bidder? If so, what is the potential the increase in overall **annual operating cost** to the taxpayer for that decision? Is it worth it? (Denali Water 3.00, Watson 2.92, Greentech 2.75)

By choosing this bidder there will be an additional \$151,333 annually for tonnage, an additional 40 extra miles each way, which is 80 miles of extra fuel and maintenance afforded by taxpayers.

- Risk was 20% of the bid. Watson ranked 4th among all bidders at 2.30, Greentech was 1st with a 2.90 grade. That's a big difference for 20% of bid ...why? What was the big risk with Watson?

Watson has a very low risk due to the fact that since 1976 we have never had compliance issues, we can support ample volumes, and our contingency plan of land application is the most economical disposal technique.

- Flexibility was 20% of the bid. Watson came in at 3rd with 2.60. Greentech and BCR both had a perfect 3.0. A 0.4 difference on the second largest weighted item where the top grades to bottom grades spread was 0.8. Why was Watson graded so low on flexibility?

Watson is very flexible on the length of contract. Digestion levels are flexible. We are flexible on hauling, hours, days, and holidays.

- Environmental benefits only weighted 5% of bid. Isn't this way to low for a Bio-solids *DISPOSAL* contract? Watson was 1st at 2.8, Greentech was at 2.4 (Are they hauling all the way to Jacksonville?). How many added truck miles does Greentech's proposal reflect? How does the Greentech plan differ from H&H 2.0 and R&E 2.0 regarding environmental benefits?

By denying Watson C&D, this would not only handicap our company, but also the city, the county, and the entire local community from achieving the 75% recycling goal mandated for year 2020. In addition, the remaining moisture content in the bio-solids would provide hydration and nutrients. This would greatly reduce the need for utilizing our aquifer reserves for processing. This product could then be distributed on yards and other community common grounds to further help reduce the water usage. This product would also reduce run off and the need for synthetic or chemical supplemental nutrients which generally end up in our water reserves or common waterways. The water saved would be estimated at 4,471,932 gallons each year. The cost associated with that is approximately \$145,000. This could only be interpreted as economically and environmentally positive.

- Local economic benefits 5% of bid. Why wouldn't Watson get a 3.0 on this?

When you take into consideration helping make contiguous Watson operations sustainable the 3.0 excellent rating would seem to be automatic! As we stated, the water content of the bio-solids would go hand-in-hand with hydration needed to process our compost and bio-solids.

- The local preference grade is possibly the most flawed. It appears by the flow chart if the bid price is over \$50,000 (and it is) and you have a City business license, the bidder would get 3.0 points and if not then no points. That would make no sense at all. Comparing all the bidders, does this grading practice advance the logical purpose of local preference? Which bidder has performed more services for this community this year... the last 2 years, 5 years, or 20 years? Which bidder has paid or is paying more in taxes to the community? Which bidder employs more people in the community or pays more property taxes? How much is the "franchise fees" Watson pays in relation to the business permit Greentech purchased?