

MARY ELLEN SCALERA
GENERAL COUNSEL
MESCALERA@SPINIELLOCO.COM
DIRECT DIAL: 973.251.9669

April 18, 2022

VIA ELECTRONIC MAIL: BOE.Clerk@baltimorecity.gov and James.knighton@baltimorecity.gov

Board of Estimates
Room 204, City Hall
100 N. Holliday Street
Baltimore, MD 21202

**RE: Recommendations for Contract Awards/Rejections –
DPW Recommended Award No. 9, page 186 of BOE Agenda for 4/20/2022
Project WC 1410, Urgent Need Water Infrastructure Rehabilitation & Improvements Phase 1-FY21**

Honorable Board President Mosby, Mayor Scott and Board Members,

I write on behalf of Spiniello Companies (“Spiniello”) with respect to the DPW Recommendation of Award of above-captioned Project WC 1410, which is currently scheduled to be heard by this Board of Estimates on Wednesday, April 20, 2022.

WC 1410 was bid approximately 10 months ago, and the bid results were as follows:

<u>BIDDER</u>	<u>BID AMOUNT</u>
RE Harrington	\$6,995,850.00
Metra Industries	\$7,746,450.00
Spiniello Companies	\$8,633,000.00
J. Fletcher Creamer	\$8,937,590.00

The Baltimore Department of Public Works (“DPW”) has recommended Award to Spiniello as the 3rd low monetary bidder. In response to that recommendation, there have been several Protests, and emergent Court submissions, filed on behalf of RE Harrington and/or Metra Industries. There have also been oral presentations by RE Harrington, Metra Industries and the DPW before the BOE over the past several months, but no decision has yet been rendered.

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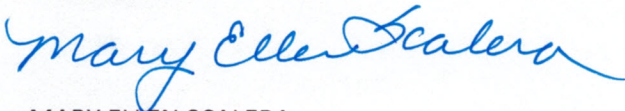
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Spiniello sincerely appreciates the efforts made by DPW, as well as its confidence in the abilities of Spiniello as set forth in DPW's continued Recommendation of Award to Spiniello. However, as Spiniello has recently advised the Engineering Department and the DPW Law Department, Spiniello's pricing and costs in June of 2021 was very different than its pricing and costs almost one year later. Given the 8+% national rate of inflation, and significantly higher costs of materials and services (in certain cases an increase of 300-400%), the pricing on which its original Bid Amount of \$8.633M was based are no longer sustainable. Completing the Project as bid by Spiniello would result in a loss to Spiniello in excess of any profits.

As such, Spiniello respectfully requests the Award on WC 1410 only be made with a proviso that reasonable Change Orders be approved based on the significant change in market conditions encountered (i.e. the post-pandemic national price increases). Only if that Change Order proviso option is not allowable, in the alternative, Spiniello respectfully requests that all Bids on WC 1410 be discarded by DPW, and that all interested and qualified parties be allowed to re-bid this Project.

Spiniello thanks this Board for its attention to this matter, and will have representatives available for questions at the upcoming April 20, 2022 Board Meeting.

Respectfully,



MARY ELLEN SCALERA

cc: Darnell Ingram, Deputy City Solicitor, Baltimore City Law Dept. (darnellE.ingram@baltimorecity.gov)
Jeaneen Maxwell, Deputy City Solicitor, Baltimore City Law Dept. (jeaneen.maxwell@baltimorecity.gov)
Todd Galletti, Sr. Vice-President, Spiniello Companies (tgalletti@spiniello.com)
Wazir Qadri, Baltimore City DPW (Wazir.Qadri@baltimorecity.gov)