North Park Elevated Water Tower Replacement (Phase 2)
Sidney, Montana
IEI Project #WR23-00-047

To: Sidney Water and Sewer Committee
From: Dean Peterson, Interstate Engineering, Inc.
Date: August 13, 2025 (revisions from 7/14/25 in red)
Subject: Bidder Due Diligence and Recommendation of Award

Bid Opening:

A. Bids were open and read on June 24, 2025. Three bids were received. All bidders met the bid submittal requirements. The required DBE solicitation forms and debarment forms were received from the two low bidders.
    1) Gerard Tank & Steel, Inc.: $6,179,500.00 (low bidder)
    2) Maguire Iron, Inc.: $6,195,000.00 ($15,500 over low bidder)
    3) CB&I Storage Tank Solutions, Inc.: $6,325,000.00 ($145,500 over low bidder)
    4) Engineer's Estimate: $5,264,830.95 ($914,669.05 under low bidder)
B. Two tank manufacturers expressed interest but did not bid.
    1) Caldwell Tanks, Inc. intended to bid, but their subcontractor doing civil work backed out at the last minute and Caldwell didn't have a backup.
    2) Phoenix Fabricators & Erectors, Inc. decided not to bid based on their large backlog.

Bid Analysis:

A. All bidders were significantly higher than engineer's estimate for mobilization, tank painting, and tank foundation.
B. All bidders were significantly lower than engineer's estimate for Schedule 2 – Decommissioning and removal of existing tank.

Specifications:

A. Successful Bidder:
    1) The lowest responsible Bidder submitting a responsive Bid to whom the Owner (on the basis of the Owner's evaluations as hereinafter provided) makes the award. (See Section 00 21 13, Paragraph 00.1.02.B.3)
B. Qualification Requirement:
    1) The work… must be performed by a company with a minimum of five years' experience in elevated, welded steel tank design and construction with a minimum of five tanks

designed and constructed of equal or greater capacity. Upon request of the Owner or Engineer, the Contractor shall submit documentation and references to substantiate this requirement. (Section 33 16 19, Paragraph 33.1.06.A)

Gerard Tank & Steel:

A. Headquarters are in Concordia, Kansas. Gerard has their own steel fabrication facility. They sub out tank coating/painting. Tank projects have generally been in lower midwestern states, with none listed in Montana. Gerard included a "bid only" license from the State of Montana. They are in the process of upgrading to a contractor's license. Gerard has been in business for over 40 years. Nick Gerard has taken over the business from his father.

B. Elevated welded tanks, 750,000-gallons or greater:
    1) Bowling Green, Missouri. 1,000,000-gallon fluted pedestal. 2011.
        i. No contacts were made with anyone involved during construction, but the City reported no problems with the tank.
    2) O'Neill, Nebraska. 750,000-gallon spheroid. 2020.
        i. The city reported no problems with the tank.
        ii. The engineer reported good experiences working with Gerard and good quality.
    3) Norfolk, Nebraska. 750,000-gallon spheroid. 2021.
        i. The engineer reported mostly positive experiences working with Gerard, but sometimes with slow responsiveness.
    4) Osage, Iowa. 750,000-gallon spheroid. 2022.
        i. The city reported no problems with the tank.
        ii. The engineer reported positive experiences working with Gerard and good quality, but did have problems with their painting sub.

C. Elevated composite tanks (welded steel tank on concrete pedestal), 750,000-gallons or greater:
    1) Baresford, South Dakota. 1,000,000-gallon. Current project.
    2) Bondurant, Iowa. 1,000,000-gallon. Current project.
    3) Arlington, South Dakota. 1,500,000-gallon. Current project.

D. Smaller elevated welded tanks:
    1) Clinton, Missouri. 600,000-gallon spheroid. 2024.
        i. The engineer reported some problems with Gerard regarding project schedule and slow paperwork, but the tank quality was good.

Maguire Iron:

A. Headquarters are in Sioux Falls, South Dakota. Maguire has their own steel fabrication facility. They perform their own tank coating/painting. Tank projects extend across several central states, including several in Montana.
B. Elevated welded tanks, 750,000-gallons or greater:
    1) Tea, South Dakota. 750,000-gallon spheroid.
        i. The engineer reported good experiences working with Maguire and good quality.
    2) Inwood, Iowa. 750,000-gallon spheroid.
    3) Kenosha, Wisconsin. 750,000-gallon spheroid.
    4) Milford, Ohio. 1,000,000-gallon spheroid. Current project.
    5) Monroe, Michigan. 750,000-gallon spheroid. Current project.
    6) Creston, Iowa. 1,000,000-gallon legged.
C. Smaller elevated welded tanks:
    1) Jamestown, North Dakota. 600,000-gallon spheroid.
        i. Interstate Engineering was the engineer on this project and reports good experiences working with Maguire and good quality.
    2) Wakefield, Nebraska. 600,000-gallon spheroid.
    3) Mobridge, South Dakota. 600,000-gallon spheroid.
    4) Pecos, Texas. 600,000-gallon spheroid.
    5) Cheboygan, Michigan. 400,000-gallon spheroid. 2023.
        i. The engineer reported good experiences working with Maguire and good quality.
    6) Lisbon, Ohio. 500,000-gallon spheroid. 2023.
        i. The engineer reported good experiences working with Maguire and good quality.
    7) Cusseta, Alabama. 250,000-gallon spheroid. 2024.
        i. The engineer reported good experiences working with Maguire and good quality.
    8) Downs, Illinois. 150,000-gallon spheroid. 2024.
        i. The engineer reported good experiences working with Maguire and good quality.
    9) Crooks, South Dakota. 300,000-gallon spheroid. 2024.
        i. No successful contacts have been made.
    10) Cut and Shoot, Texas. 250,000-gallon spheroid. 2024.
        i. The engineer reported poor working experience with Maguire, but good quality.
D. Montana elevated welded tanks:
    1) Shelby. 250,000-gallon sphere.
    2) Poplar. 400,000-gallon sphere.

3) Colstrip. 400,000-gallon sphere.
4) Brady. 125,000-gallon sphere.
5) Poplar. 500,000-gallon sphere. 2012.
    i. Interstate Engineering was the engineer on this project and reports good experiences working with Maguire and good quality.
6) Ft. Smith. 200,000-gallon sphere.
7) Valier. 250,000-gallon legged.
8) Miles City. 500,000-gallon sphere.
9) Frazier. 200,000-gallon sphere.
10) Billings. 50,000-gallon sphere.
11) Ft. Peck. 300,000-gallon sphere.

Summary:

A. The tanks listed above were from information provided to Interstate Engineering by the bidders and are not intended to represent a complete and comprehensive list.
B. The two low bidders both represent responsible and responsive bidders. Both bidders appear to be qualified. The contract may be awarded to the lowest and/or best qualified bidder.
C. Neither contractor met the requirement of five completed elevated tanks over 750,000-gallons.
D. The two low bidders both expressed a willingness to negotiate or find value engineering opportunities to lower the cost.
E. Gerard claims to have an advantage in the details of the tank construction with better head range efficiency, no overlapping seams, and thicker plate. IEI has not verified this claim.
F. Maguire has the advantage of more local experience and involvement.
G. Maguire has the advantage of in-house painting crews.
H. Back-up documentation is attached.

Recommendation:

A. Interstate Engineering recommends an award of the contract (Schedule 1 and Schedule 2) to Maguire Iron, Inc. Maguire has demonstrated an advantage over Gerard in terms of local experience and experience with large, elevated spheroid tanks.
B. Summary of factors in making the recommendation:
    a. Both contractors have completed three - 750,000-gallon spheroid tanks.
    b. Maguire has an additional two current - 750,000-gallon spheroid tank projects.
    c. Maguire has completed four – 600,000-gallon spheroid tanks. Gerard has completed one.

d. Maguire has completed 18 tanks within 200 miles of Sidney (estimated) in the last ten years. Gerard has not completed any tanks within 200 miles of Sidney.
e. Maguire will utilize in-house painting crews. Gerard will sub out painting.
f. Maguire will utilize a foundation subcontractor from Montana. Gerard will utilize a foundation subcontractor from Iowa.
g. Maguire has submitted more detailed information regarding past tanks, personnel, project schedule, etc.
h. Both contractors appear to be qualified, but Maguire appears to be the best qualified contractor of the two.