



## Legislation Text

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**File #:** 09-1026, **Version:** 1

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Resolution to Award Contract for Structural Repair and Painting of Clarifiers 4 & 5 to E & L Construction Group, Inc. (\$322,500.00)

This memorandum and resolution requests approval to award a contract to E & L Construction Group, Inc. for the Structural Repair and Painting of Clarifiers 4 & 5 Project in the amount of \$322,500.00. .

This project replaces the coatings on all structural steel components in Clarifiers 4 and 5 at the Water Treatment Plant. In addition, this project includes replacement of deteriorated handrail, installation of fixed ladders to safely access work areas, repair of a weir ring in Clarifier 5, and removal and replacement of weir plates on the outer launder of Clarifier 5. The metal components in Clarifier 4 and 5 were last coated in the mid-1980's. The existing coatings have exceeded their expected life by approximately 5 to 10 years. If this project were delayed, structural steel components would be subject to additional corrosion and the need for future replacement resulting in a higher expense.

The City received the following three bids in response to ITB-4051:

E & L Construction Group, Inc.	\$322,500.00
Seven Brothers Painting	\$343,506.00
Dave Cole Decorators, Inc.	\$522,988.00

Since E&L Construction Group, Inc. submitted the lowest responsible bid in the amount of \$322,500.00, it is recommended that the bid from E & L Construction Group, Inc. for \$322,500.00 be accepted, and that E & L Construction Group, Inc. be awarded the contract for the Structural Repair and Painting of Clarifiers 4 & 5.

The project budget in the amount of \$456,500.00 includes a contingency in the amount of \$35,000.00 for E & L Construction Group, Inc. for change orders to be approved by the City Administrator, \$10,000 for materials and supplies to be provided by the City, \$30,000 for engineering design by City staff, \$19,000 for the bond issue fee, and \$40,000 for project management and inspection services.

E & L Construction Group received Human Rights approval on October 2, 2009, and complies with the living wage ordinance.

Funds for this project were approved in the FY 10 Water Capital Projects Budget and are to be advanced from the Water Supply System Unobligated Fund Balance to be repaid pending the sale of water revenue bonds via the Drinking Water Revolving Loan Fund (DWRP). This project is part of the first quarter FY10 funding for DWRP projects. First quarter funded projects are eligible for principal relief of their loans up to a value of 40% of the loan amount as part of the American Recovery and Reinvestment Act Stimulus funding. The amount requested does not account for this principal relief as the exact amount of relief will not be available until after the project has commenced and the total amount available to the State of Michigan for this purpose is identified.

Prepared by: Nichole Woodward, P.E., Utilities Engineer, WTP

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, Replacement and coating structural steel components in and around Clarifiers 4 & 5 is necessary to extend the service life of the equipment;

Whereas, Council approved the following project and associated funding during the FY09 and FY10 Capital Budget process;

Whereas, This project is included as part of the Drinking Water Revolving Loan Fund application made by the City for a select number of water system projects and was accepted for funding through this program;

Whereas, Of the three bids received in response to ITB-4051, E & L Construction Group, Inc. provided the lowest responsible bid in the amount of \$322,500.00; and

Whereas, E & L Construction Group, Inc. has received Human Rights approval on October 2, 2009, and complies with the Living Wage Ordinance;

RESOLVED, That Council accepts the proposal and awards a contract to E & L Construction Group, Inc. in the amount of \$322,500.00 for the Contract for the Structural Repair and Painting of Clarifiers 4 & 5;

RESOLVED, That a contingency in the amount of \$35,000.00 be approved to finance change orders to the contract with E & L Construction Group, Inc. to be approved by the City Administrator;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the contract for services after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City make the following declaration for the purpose of complying with the reimbursement rules of Treas. Reg. 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

RESOLVED, That funding for this project was approved in the FY10 Water Capital Projects Budget and are to be advanced from the Water Supply System Operating Fund Balance to be repaid pending the sale of water revenue bonds; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.