



Legislation Text

File #: 09-0924, **Version:** 1

Resolution to Award a Construction Contract to Site Development Inc. for the Steere Farm Well Field Raw Water Main Replacement Project (\$1,087,393.22; Bid No. ITB-4034)

Attached for your review and approval is a resolution to award a construction contract to Site Development Inc. (SDI) in the amount of \$1,087,393.22 for the Steere Farm Well Field Raw Water Main Replacement Project and to establish a contract contingency amount of \$108,000.00.

The FY 2009-2014 Capital Improvements Plan (CIP) includes project UT-WS-01-36, the Steere Farm Well Field Raw Avenue Water Main Replacement Project. The project will replace the existing raw water main, which is in poor condition and has experienced several breaks. The project includes the construction of new water main from the City of Ann Arbor's Steere Farm Well Field, which supplies approximately 15% of the City's annual drinking water and is piped to the Water Treatment Plant for treatment. The proposed construction consists of the installation of approximately 3,216 lineal feet of 30-inch, 779 lineal feet of 20-inch, and 355 lineal feet of 12-inch ductile iron water main, with polywrap and all appurtenances. The proposed water main will also be provided with a cathodic protection system to prevent corrosion and lengthen the life of the pipe. The project is expected to begin in mid-November and be completed by Spring of 2010.

Plans and specifications were made available through BidNet. Thirteen bids were received and opened on August 25, 2009. The lowest responsible bid, in the amount of \$1,087,393.22 is \$247,269.78 lower than the engineer's estimate of \$1,334,663.00. Attached is a tabulation of the bids received for the project. The contingency amount of \$108,000.00 would be available for possible contract change orders, to be approved by the City Administrator.

Site Development Inc. received Human Rights approval on September 15, 2009. All employees of Site Development Inc., who will work on the project, will receive compensation in accordance with the Living Wage Ordinance.

Under Part 54 of PA 451, 1994, Michigan established the Drinking Water Revolving Fund (DWRF) program, which is designed to assist water suppliers in satisfying the requirements of the Safe Drinking Water Act by offering low interest loans of 2.5% for improvements to the water treatment process and distribution system.

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law on February 17, 2009. The bill contains \$787 billion in federal funding for a wide range of purposes, from tax cuts to infrastructure spending. The ARRA includes \$2 billion for Drinking Water Revolving Funds (DWRF) administered by the states, of which Michigan will receive \$67,454,000.00. These funds will provide Michigan with the ability to tender more loans and provide additional subsidy through the existing DWRF structures.

City Council adopted the 2009 Drinking Water Revolving Fund (DWRF) Project Plan for Water System Improvements and the multi-year DWRF applications on April 20, 2009 (R-09-145). The

Project Plan was submitted to the Michigan Department of Environmental Quality on May 1, 2009 and was included on the DWRF Fiscal Year 2010 Project Priority List.

Funding for this project is contained in the approved Capital Budget. This project was also included in our Drinking Water Revolving Fund (DWRF) project plan and has been selected to receive funding. We expect to receive low interest financing on approximately 60% of the principle amount with the remaining portion being forgiven by the DWRF program.

Prepared by: Homayoon Pirooz, P.E., Project Management Manager

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City of Ann Arbor Adopted Capital Budget includes the Steere Farm Well Field Raw Water Main Replacement Project;

Whereas, The Steere Farm Well Field Raw Water Main Replacement Project was included in the City's 2009 Drinking Water Revolving Fund Project Plan which was adopted by City Council April 20, 2009 and it will be funded through the state of Michigan's Drinking Water Revolving Loan Fund (DWRF) program;

Whereas, It is necessary to replace the existing raw water main from the Steere Farm Well Field to ensure safe drinking water;

Whereas, Competitive bids were received by the Office of Procurement on August 25, 2009 and Site Development, Inc. was the lowest responsible bidder with a submitted bid of \$1,087,393.22;

Whereas, The contractual proposal sets forth the services to be performed by said company, and the payments to be made by the City therefore, all of which are agreeable to the City;

Whereas, It is now necessary to enter into a Contract with said company for this construction project; and

Whereas, Site Development Inc. has received Human Rights approval on September 15, 2009 and its employees will receive compensation in accordance with the Living Wage Ordinance;

RESOLVED, That a contract in the amount of \$1,087,393.22 be awarded to Site Development Inc. for the construction of the Steere Farm Well Field Raw Water Main Replacement Project;

RESOLVED, That City Council approve a contingency amount of \$108,000.00 to cover potential contract change orders, to be approved by the City Administrator;

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

RESOLVED, That the City Administrator is authorized to take necessary administrative actions to implement this resolution, including issuing temporary and permanent Traffic Control Orders and night work authorizations as required for the construction of the project.

Sponsored by: Councilmember Higgins