



Legislation Text

File #: 20-1996, **Version:** 1

Resolution to Approve a Construction Contract Change Order No. 3 with Lang Constructors, Inc. for Galvanized Water Service Line Replacements - ITB No. 4593 (\$1,194,560.00 increase, total contract \$1,527,085.00)

Attached for your approval is a resolution authorizing a Construction Contract Change Order with Lang Constructors, Inc. for \$1,194,560.00 for galvanized water service replacements for a total contract value of \$1,527,085.00.

Water service lines installed in Ann Arbor before 1928 and some services installed during World War II (1942-1945) were made of galvanized iron and connected to the water main with a short piece of flexible lead pipe, known as a "gooseneck". The City has removed and replaced the publicly owned portion of all known galvanized water service lines and lead goosenecks. In June of 2018, an updated Lead and Copper Rule was adopted by the State of Michigan. The rule requires that water suppliers replace both the publicly owned and privately-owned portions of galvanized service lines that are or were connected to lead. Regulations state that water suppliers must replace these lines at a rate of 5% per year beginning January 1, 2021.

Lang Constructors was the lowest qualified bidder for Galvanized Water Service Line Replacements - ITB No. 4593 and has been completing quality work. Their contract was renewed for one additional year through November 4, 2021 as authorized in R-19-485. Last year portions of the galvanized line replacements were handled under a separate contract as part of other capital projects managed by the Engineering Unit. Moving forward, all galvanized line replacements will be processed through the contract held by Public Works and the increase in contract amount with Lang Constructors Inc. is necessary to ensure annual regulatory replacement requirements are met.

This project need is included in the FY 2020-2025 Capital Improvements Plan. A new ITB will be drafted this year to secure a longer-term agreement as service line replacements continue to be identified and verified.

Budget Fiscal Impact: The FY 2020-2025 Capital Improvements Plan included this project under Galvanized Water Services Replacements (UT-WS-20-14) at \$1,000,000.00 per year. Funding for the galvanized water service replacement project is included in the approved FY21 Water Supply System Capital Budget and will be available in subsequent budgets if approved by Council.

Lang Constructors, Inc. complies with the City's Non-Discrimination and Living Wage Ordinances.

Prepared by: Paul Matthews, Public Works Assistant Manager

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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Tom Crawford, City Administrator

Whereas, In June of 2018, an updated Lead and Copper Rule was adopted by the State of Michigan;

Whereas, The rule requires that water suppliers replace both the publicly owned and privately-owned

portions of galvanized water service lines that are or were connected to lead;

Whereas, Water suppliers must replace these lines at a rate of 5% per year beginning January 1, 2021;

Whereas, Lang Constructors has been completing quality work and is under contract for galvanized water service line replacements through November 4, 2021;

Whereas, Funding is available in the Water Supply System Capital Budget; and

Whereas, Lang Constructors, Inc. complies with the City's Non-Discrimination and Living Wage Ordinances;

RESOLVED, That Council approve Change Order No. 3 to the construction contract with Lang Constructors, Inc. in the amount of \$1,194,560.00 (ITB No. 4593) for a total contract amount of \$1,527,085.00;

RESOLVED, That the City make the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 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; and

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