



## Legislation Text

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Resolution to Award Contract for the South Industrial Tank Coating Project to L & T Painting, Inc., ITB 4498 (\$646,100.00)

This memorandum and resolution requests approval to award a contract to L&T Painting, Inc. for the South Industrial Tank Coating Project (\$646,100.00).

The South Industrial Tank is a 4,000,000 gallon steel water ground storage tank located at 2000 South Industrial Hwy, Ann Arbor, MI. Based on previous condition assessments conducted, the interior coating of the existing welded steel tank has exceeded its service life and the tank has developed corrosion. Removal of the existing interior coating and recoating is necessary to extend the service life of the water tank. This project is included in the approved Capital Improvement Plan for FY18.

The scope of this project includes blasting to remove the existing coating and reapplication of the interior coating, caulking, recoating the piping in the adjacent valve vault, replacing corroded rungs on the wet interior ladder, replacing corroded sections of the wind girder, repainting of the exterior coating, adding safety railings, and replacing the corroded tank vent.

On May 22, 2017, the City received the following nine (9) bids for the Invitation to Bid (ITB) 4498:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alternates 1-4</u>	<u>Total Bid</u>
MK Painting, Inc.	\$436,500.00	\$189,000.00	\$625,500.00
<b>L&amp;T Painting, Inc.</b>	<b>\$504,100.00</b>	<b>\$142,000.00</b>	<b>\$646,100.00</b>
Top Industrial Painting	\$506,500.00	\$161,000.00	\$667,500.00
L.C. United Painting Co., Inc.	\$542,500.00	\$154,500.00	\$697,000.00
Seven Brothers Painting	\$612,000.00	\$145,000.00	\$757,000.00
Worldwide Industries Corp.	\$655,226.00	\$187,140.00	\$842,366.00
Classic Protective Coatings	\$724,700.00	\$192,500.00	\$917,200.00
George Kountoupes Painting	\$725,500.00	\$221,000.00	\$946,500.00
TMI Coatings, Inc.	\$921,000.00	\$276,500.00	\$1,197,500.00

Seven of the nine bidders were on the list of prequalified painters indicated in the bid documents. The low bidder, MK Painting, Inc., was not prequalified by the design engineer as a responsible and qualified bidder for this project, and is not recommended.

The bid documents requested pricing on alternate items. In review of the bids, the City recommends accepting the following alternate items of work:

Alternate No. 1 Surface prepare and recoat the tank's existing exterior coating (\$125,000.00). By applying a top coat to the tank's exterior now, the City will delay the need for a complete repainting, which includes abrasive blasting, complete containment and a multi-coat system.

Alternate No. 2 Install cathodic clips and coupling for future installation of cathodic

protection system (\$6,000.00). The future addition of cathodic protection will extend the life of the coatings. This work involves welding which should be performed prior to the painting.

Alternate No. 3 Installation of new roof handrail at the edge of the roof (\$4,500.00). This will improve the safety of personnel near the access ladder.

Alternate No. 4 Removal and replacement of the existing roof vent with new frost-free, screened pressure roof vent (\$6,500.00). This work is recommended by Michigan Department of Environmental Quality and should be installed prior to painting.

Since L&T Painting, Inc. submitted the lowest responsible total bid in the amount of \$646,100.00, and are on the list of prequalified painters, it is recommended that their bid for \$646,100.00 be accepted, and that L&T Painting, Inc. be awarded the contract for the South Industrial Tank Coating Project.

The overall budget for the project is estimated at \$872,313.00, which includes the contract for L&T Painting, Inc., base bid plus alternates 1-4 (\$646,100.00), contingency for change orders to be approved by the City Administrator (\$64,000.00), project management and inspection services by City Staff, bond service fees, and design and construction services provided by Tetra Tech of Michigan, PC.

Funding for this project is included in the approved Water Supply System Capital Improvement Budget.

L&T Painting, Inc. complies with the City's Living Wage and Non-Discrimination Ordinances.

Prepared by: Brian Steglitz, Manager, Water Treatment Services

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, It is necessary to complete the South Industrial Tank Coating Project to perform repair work, improve safety, and extend the service life of the ground storage tank;

Whereas, The South Industrial Tank coating project is identified as a high priority project in the City's approved Capital Improvement Plan for FY18;

Whereas, The South Industrial Tank coating project is required to replace failed coatings, replace corroded structural components, and improve maintenance and safety of the tank;

Whereas, Of the nine (9) bids received for ITB 4498, L&T Painting, Inc. provided the lowest responsible bid in the amount of \$646,100.00;

Whereas, Funding in the amount of \$646,100.00 for the South Industrial Tank Coating Project is included in the approved Water Supply System Capital Improvement Budget; and,

Whereas, L&T Painting, Inc. complies with the City's Living Wage and Non-Discrimination ordinances.

RESOLVED, That Council accepts the proposal for the base bid plus alternates 1-4 and awards a

contract to L&T Painting, Inc. in the amount of \$646,100.00 for the South Industrial Tank Coating Project;

RESOLVED, That a contingency in the amount of \$64,000.00 is approved to finance change orders to the contract with L&T Painting, Inc. to be approved by the City Administrator;

RESOLVED, That the Mayor and City Clerk are 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 makes the following declaration for the purposes 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 expect to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

RESOLVED, That funds for this project are available for the life of the project without regard to fiscal year; and

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