



Legislation Text

File #: 20-0390, **Version:** 1

Resolution to Approve a Contract with Matzak Inc., for the Fuel Tank Replacement Project at 2000 South Industrial Highway (ITB - \$149,400.00) **(8 Votes Required)**

We recommend your approval of the attached resolution authorizing a contract in the amount of \$149,400.00 with Matzak Inc., for the removal of two underground storage tanks (USTs) and the installation of one aboveground storage tank (AST) at the City's fueling facility at 2000 South Industrial Highway.

The two USTs, one a 15,000 gallon steel double walled gasoline tank and the other a 15,000 gallon steel double walled diesel fuel tank, were installed in 1992. In 2018, product from the diesel tank was found in the interstitial space between the double tank walls. Appropriate notifications were made to the State of Michigan and the City decided to remove the fuel and take that tank out of service. There was no fuel leak outside of the tank.

Since both tanks are of similar vintage, project planning was initiated to remove both USTs and replace them with aboveground fuel storage tanks. The City already has a 5,000 gallon AST at the facility which was converted to a diesel tank to address the loss of the UST that was removed from service. As part of this project, the successful vendor will install an additional 8,000 gallon AST for gasoline at the facility.

The work will include the removal, closure and disposal of the two USTs and associated piping and pumps in full compliance with State and Federal regulations. A complete Site Assessment including all sampling, testing and reporting as required by law and industry best practice. Backfill with clean, compacted soils and graded and seeded per the City requirements. The work will also include supply and installation of the new AST, piping and pump control. Site preparation including grading, limited demolition, retaining wall, and concrete work is also in the project.

The City is not aware of any contaminated soils from these existing USTs and the contractor's base bids assumed no contaminated soils are present. Previously, there were USTs at this same location that did leak, resulting in the installation of the existing tanks in 1992. It has been reported that this contamination was cleaned up at the time, but to be safe, we had contractors include unit prices for remediation if contaminated soils are identified at the site.

Having two separate fueling locations for the City is an important redundancy in maintaining the continuity of City operations. The South Industrial site is also closer to vehicles based downtown which allows for reduced staff downtime for fueling operations.

The project was bid under ITB-4614 and bids were received from five contractors on March 3, 2020. Staff evaluated the bids and determined that the prices were competitive and recommends that Matzak Inc., as the lowest responsible bidder, be awarded the contract. The bid tabulation is attached.

Budget and Fiscal Impacts: Funding for the project was included in the FY20 Fleet Services Fund operations and maintenance budget. The project will span FY20 and FY21. The resolution includes a recommended project contingency of \$37,500.00 (approximately 25%) to cover potential contract change orders to be approved by the City Administrator if necessary. The contingency is higher than normal in case any contaminated soils are found and must be remediated.

Matzak Inc. of Ray, MI, complies with the requirements of the City's Living Wage, Prevailing Wage, Vendor Conflict of Interest and Non-Discrimination ordinances.

Prepared by: Matthew J. Kulhanek, Fleet & Facilities Unit Manager

Reviewed by: John T. Fournier, Assistant City Administrator

Approved by: Tom Crawford, Interim City Administrator

Whereas, There is a need to remove existing underground fuel storage tanks and install a new aboveground storage tank at the City fuel facility located at 2000 South Industrial Highway;

Whereas, Five bids for the Fuel Tank Replacement Project were opened March 3, 2020, and Matzak Inc. of Ray, MI, submitted the lowest responsible bid under ITB No. 4614;

Whereas, Matzak Inc. complies with the City's Living Wage, Prevailing Wage, Vendor Conflict of Interest and Non-Discrimination ordinances; and

Whereas, Funding for the work is available in the FY20 Fleet Services Fund Operations and Maintenance Budget;

RESOLVED, That City Council approve a contract, per ITB No. 4614, with Matzak Inc., in the amount of \$149,400.00 and authorize a construction contingency of \$37,500.00 to cover potential contract change orders;

RESOLVED, That funding for the work, including contingency, comes from the approved FY20 Fleet Services Fund Operations and Maintenance Budget and that funds be available without regard to fiscal year;

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

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution including the approval and execution of change orders within the approved contingency amount.