



## Legislation Text

**File #:** 09-0555, **Version:** 1

### Resolution to Award a Contract to Posen Construction, Inc. for the Lime Sludge Lagoon Improvements Project (\$275,808.00)

This memorandum and resolution requests approval to award a contract to Posen Construction, Inc. for the Lime Sludge Lagoon Improvements Project.

The Water Treatment Plant uses lime to soften its raw water to levels acceptable for public use. Without softening, the City's drinking water would be exceptionally hard, causing scale on appliances, dishes, and fixtures, and requiring significantly more soap usage for cleaning. To remove the hardness minerals from water, lime is added to the raw water and a chemical reaction occurs that forms a precipitate of the hardness minerals. This lime precipitate, or sludge, settles out of the water and is collected, thickened, and pressed at the Water Plant to remove the water. The remaining solids are typically hauled off site and either landfilled or seasonally used as a soil amendment for farms. Prior to pressing the lime sludge, the Water Treatment Plant pumped its sludge to a lagoon that is located behind Wines and Forsythe Schools adjacent to M-14. This lagoon still serves as an alternative means for handling lime sludge when the Water Treatment Plant's presses are out-of-service for maintenance.

The Lime Sludge Lagoon Improvements Project is necessary to rehabilitate the concrete weir structure at the outlet of this lagoon. This structure has deteriorated and the State of Michigan Department of Environmental Quality (MDEQ), the party that regulates this impoundment, is concerned about its condition. As part of an agreement between the City and MDEQ, the City has agreed to repair this structure as well as install a new effluent flow monitoring device (for permit compliance purposes) by the end of December 2009. This project is included in the approved CIP for FY2010 at an estimated cost of \$600,000.00. A competitive bidding environment and a partial reduction in the scope of work has resulted in the total project cost being less than the estimated cost included in the CIP.

The City received the following nine bids for construction services:

Posen Construction, Inc.	\$275,808.00
E.T. Mackenzie	\$294,990.00
3-S Construction, Inc.	\$321,090.00
O'Laughlin Construction	\$323,750.00
Irish Construction	\$326,100.00
Adams Building Contractors	\$340,412.00
Anlaan Corporation	\$366,000.00
Pamar Enterprises	\$506,900.00
A.Z. Schmina, Inc.	\$579,000.00

Since Posen Construction, Inc. provided the lowest responsible bid for this work, it is recommended that the bid from Posen Construction, Inc. for \$275,808.00 be accepted, and that Posen

Construction, Inc. be awarded the contract for the Lime Sludge Lagoon Improvements Project.

The total project costs are estimated to be \$434,000.00 which includes the contract for Posen Construction, Inc., project management and inspection services by City staff (\$20,000.00), contingency for the contract with Posen Construction, Inc. for change orders to be approved by the City Administrator (\$40,000.00), a bond issue fee (\$23,000.00) and engineering services provided by Stantec, the design engineer (\$75,192.00). Funds for this project (\$434,000.00) are to be advanced from the Water Supply System Unobligated Fund Balance to be repaid pending the sale of water revenue bonds.

Posen Construction, Inc. has received Human Rights approval on June 15, 2009, and complies with the living wage ordinance.

Prepared by: Brian Steglitz, P.E., Sr. Utilities Engineer, WTP

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, It is necessary to complete the Lime Sludge Lagoon Improvements Project repair the concrete weir structure and install a new flow monitoring device to comply with the condition of the permit for the lagoon with the State of Michigan;

Whereas, Of the nine bids received, Posen Construction, Inc. provided the lowest responsible bid in the amount of \$275,808.00;

Whereas, Posen Construction, Inc. has received Human Rights approval on June 15, 2009, and complies with the Living Wage Ordinance; and

Whereas, The Lime Sludge Lagoon Improvements Project is included in the approved CIP for FY2010;

RESOLVED, That Council accepts the proposal and awards a contract to Posen Construction, Inc. in the amount of \$275,808.00 for the Lime Sludge Lagoon Improvements Project;

RESOLVED, That a contingency in the amount of \$40,000.00 is approved to finance change orders to the contract with Posen Construction, 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 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; and

RESOLVED, That the following budget is approved and that funds be available for the life of the project until expended without regard to fiscal year.

#### Section I - Revenue

Advance from Water Supply System Unobligated Fund Balance pending the  
sale of Water Revenue Bonds

TOTAL	\$	434,000.00
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Section II - Expenses

Contract with Posen Construction, Inc.	\$275,808.00
Professional Services Agreement with Stantec	\$ 75,192.00
Project Management and Inspection Services by City Staff	\$ 20,000.00
Bond Issue Fee	\$ 23,000.00
Contingency to finance change orders to be approved by the City Administrator	<u>\$ 40,000.00</u>
TOTAL	<u>\$434,000.00</u>