



Legislation Text

File #: 08-0403, Version: 1

Resolution to Appropriate Funds and Reimburse FCR, Inc. for the Purchase of a Replacement Fire Protection System at the City-owned Materials Recovery Facility (MRF) \$117,779.00 **(8 Votes Required)**

The attached resolution appropriates funds and reimburses FCR, Inc. (the City's contracted MRF operator) for the cost of replacing the material recovery facility's fire protection system in the 40,000 square foot warehouse area. The cost of the replacement system is \$117,779.00 which includes a 20% contingency of \$19,630.00. The contingency is greater than the usual 10% requested, due to the higher level of uncertainty associated with the work that will be required. That level of uncertainty has already resulted in difficulties as the City attempted to solicit bids. The City made significant effort over a period of about 6 weeks in order to locate three vendors willing to bid the project.

The current fire protection system was installed when the building was first constructed in 1995, and included Schedule 10 thin wall black pipe for the mains and branch pipes in the facility, the least expensive and least durable piping allowable at the time. Because the warehouse area is not heated, the sprinkler lines are "dry", meaning that they are charged with air instead of water. When the system is activated, air evacuates from the dry system (sprinkler head detects fire, break in line, etc.) and the pressure balancing or "dry valve" in the riser room opens causing the sprinkler line to be flooded with water.

Each time the system floods, it needs to be cleared after the event. It is not possible to remove all of the water that fills the pipes (sediment in pipe holds water, condensation builds up). As the system ages the residual water forms rust on the inside of the pipes. The rust continues to erode the walls of the pipe and the system degrades. Over the past 13 years, the system has "dumped" several times due to fire/smoke ("hot" waste loads, equipment engine fires and the large waste compactor fire in 2004), equipment damage (accidentally hitting a sprinkler head) and aging of the system.

Over the course of several months FCR staff has placed plumbing patches on the system where the rust has eaten through the pipe walls to maintain air pressure. This was done as a temporary measure to allow the larger system to be professionally evaluated.

The City's Fire Department was asked to evaluate the condition of the fire protection system on November 27, 2007. The department recommended testing and evaluation by certified sprinkler contractors. It was determined that the fire protection system was barely able to maintain 30 to 40 pounds per square inch (PSI) of air pressure, far below the 200 psi required for a full-scale test of the system.

Beginning in January 2008, FCR solicited quotes, ultimately receiving them from three vendors, which included a heavier Schedule 40 heavy wall galvanized piping. This will greatly enhance the reliability and longevity of the new system. The three prices received at that time were as follows:

Tri-Star Fire Protection: \$102,890.00
Academy Fire Protection: \$ 98,300.00
SA Comunale: \$ 91,300.00

Due to the difficulties in obtaining three bids, including the extended time frame, followed by comparative assessment of the bids, the bids expired prior to the end of April. The City approach SA Comunale, as low bidder for an extension of their quotation, at which time they indicated an increase of \$6,849.00 (7.5%) was necessary given increases in steel and fuel costs, for a total cost of \$98,149.00. SA Comunale is still recommended as the lowest responsible bidder. SA Comunale installed the fire protection system at the Wheeler Service Center.

Funding for the replacement of the MRF's fire protection system will be provided through the Solid Waste Fund's Capital Replacement account, which has a current balance of approximately \$265,000.00. The Replacement account is controlled by the city and is funded by way of ongoing contributions from both the city and FCR.

The city's operating contract with FCR (Section 2:10) states that, "The Contractor shall provide written notice to the City prior to incurring expenses for the replacement of any component...in order for any of these actual expenditures to be eligible for reimbursement from the Capital Replacement Account, and in order to obtain the required consent of the City that shall not be unreasonably withheld."

The city's current operating contract with FCR is set to expire in September 2015.

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Reviewed by: Matthew J. Kulhanek, Fleet & Facility Manager
Sue F. McCormick, Public Services Area Administrator
Approved by: Roger W. Fraser, City Administrator

Whereas, The city owns a materials recovery facility (MRF) that is operated by FCR, Inc. (dba Resource Recovery Systems, Inc.);

Whereas, FCR is in year thirteen of a twenty-year operating agreement with the city to operate and maintain the MRF on behalf of the city;

Whereas, The MRF is in need of a replacement fire protection system;

Whereas, A jointly funded MRF Capital Replacement account exists within the Solid Waste Enterprise Fund to finance such expenditures;

Whereas, The operating contract agreement between the city and FCR provides for the reimbursement of expenditures made by FCR to be provided through the MRF Capital Repair account to FCR for rolling stock and other equipment at the MRF;

Whereas, The current \$265,000.00 balance in the MRF Capital Replacement account is adequate to fund the replacement of the MRF's fire protection system; and

Whereas, FCR received updated Human Rights and Living Wage approval on August 23, 2007;

RESOLVED, That City Council approves the reimbursement to FCR of \$98,149.00 from the MRF Capital Replacement Account for the purchase of a replacement fire protection system at the city-owned materials recovery facility from SA Comunale;

RESOLVED, That City Council approves a project contingency of \$19,630.00 (20%) for this project, to be approved by the City Administrator as needed;

RESOLVED, That City Council appropriates up to \$117,779.00 in funding from the MRF Capital Replacement account of the Solid Waste Fund to be available without regard to fiscal year in order to finance this reimbursement request from FCR; and

RESOLVED, That City Council authorizes the City Administrator to take any necessary administrative actions to implement this resolution.