



Legislation Text

File #: 08-1119, **Version:** 1

Resolution to Award a Contract to SG Construction Services, LLC d/b/a Sorensen Gross Construction Services and Sorensen Gross, Inc., a joint venture, to Construct the Residuals Handling Improvements Project at the Wastewater Treatment Plant, ITB No. 3972 (\$42,444,927.00)

Your approval is requested to award a contract to SG Construction Services, LLC d/b/a Sorensen Gross Construction Services and Sorensen Gross, Inc., a joint venture (collectively "Sorensen Gross") for \$42,444,927.00 to construct the Residuals Handling Improvements Project (RHI) at the City's Wastewater Treatment Plant (WWTP).

The work to be performed under this contract is to construct the capital improvements identified in the WWTP's Sewage Residuals Management Plan (SRMP). The SRMP is a comprehensive 25-year planning document that provides the basis and schedule for rehabilitation and replacement of biosolids processing equipment and systems. During development of the SRMP, a variety of stakeholders participated as members of the project team and at public workshops, which resulted in recommendations for capital improvements that reflected community values.

Based on the results of the SRMP, WWTP staff initiated the RHI to implement the capital improvements recommended in the plan. The development of the design documents for the RHI has been a multi-year process. In 2005, Council authorized Greeley and Hansen, LLC (G&H), to provide professional engineering services to design the RHI, which will replace existing biosolids handling facilities while allowing the WWTP to remain in service during construction. After completing the design documents, G&H assisted WWTP staff in obtaining a construction permit from the Michigan Department of Environmental Quality. In addition, G&H assisted WWTP staff during an extensive site plan application and approval process with Ann Arbor Township, which is where the City's WWTP is located.

The existing biosolids processing equipment and systems at the City's WWTP were constructed in 1978. These equipment and systems have exceeded their useful life, their condition is poor and the risk of component equipment failure is high. As a result, operating efficiency has declined and maintenance has become increasingly more challenging and costly. Replacement of these equipment and systems is necessary for the WWTP to improve process reliability and meet current and future solids processing capacity requirements. Failure to meet these capacity requirements would result in discharge permit violations and associated fines, as well as the discharge of sewage solids at concentrations that are harmful to the environment.

The RHI is included in the City's Capital Improvements Plan (CIP) for the WWTP and will take two and a half years to complete. The project includes a number of major elements that include:

- Demolition of existing equipment including dewatering plate and frame presses and biosolids incinerator
- Installation of centrifuges for biosolids dewatering and gravity belt thickeners to separately thicken secondary biosolids

- Rehabilitation of an existing gravity thickener for thickening primary biosolids and conversion of two existing gravity thickeners to covered tanks for blending thickened primary and secondary biosolids
- Rehabilitation and modification of the Solids Handling Building to accommodate new equipment, meet current building code requirements and to install a building addition for loading trucks with processed biosolids and receiving chemical deliveries
- Installation of a new boiler to service all facilities within the WWTP
- Installation of odor control equipment to reduce WWTP staff exposure and off-site nuisance odors from residuals handling equipment and facilities
- Replacement of antiquated 4.8 kV electrical system with a more efficient and maintainable 13.2 kV system

WWTP staff solicited public bids for the RHI as specified in ITB No. 3972. Five bids were received on November 24, 2008, as follows:

Sorensen Gross Construction Services and Sorensen Gross, Inc., a joint venture	\$42,444,927.00
DeMaria Building Company	\$44,269,579.00
Walsh Construction	\$44,938,202.00
Granger Construction	\$45,864,621.00
Spence Brothers	\$45,938,496.00

WWTP and G&H staffs reviewed these bids and recommend Sorensen Gross be awarded a contract as the lowest responsible bidder to construct this project. Sorensen received Human Rights approval on September 19, 2008, and complies with the City's living wage requirements.

You are requested to approve award of a contract to Sorensen Gross in the amount of \$42,444,927.00 and a contingency of \$4,244,000.00 to finance change orders to the contract. You are requested to approve the contract for the life of the project with funds to be available until expended without regard to fiscal year and to authorize the City Administrator to approve amendments to the contract.

A portion of the funding for this project budget (\$31,000,000) was approved and appropriated by Council during the FY09 budget process and is available for expenditure in the operating fund balance of the Sewage Disposal Fund. The balance of the funding will come before Council during the FY10 Capital Budget process for approval and appropriation.

Prepared by: Michael D. Amicangelo, P.E., Senior Engineer, WWT Services

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City's Wastewater Treatment Plant (WWTP) developed the Sewage Residuals Management Plan (SRMP), a comprehensive 25-year planning document that provides the basis and schedule for rehabilitation and replacement of biosolids processing equipment and systems;

Whereas, The Residuals Handling Improvements Project (RHI) was undertaken to implement the

capital improvements recommended in the SRMP;

Whereas, Council authorized Greeley and Hansen, LLC (G&H) to provide professional engineering services to design the RHI and provide assistance to WWTP staff to obtain approval of a construction permit from the Michigan Department of Environmental Quality and the site plan from Ann Arbor Township;

Whereas, WWTP staff solicited public bids for constructing the RHI through ITB No. 3972, and of the five bids received on November 24, 2008, SG Construction Services, LLC d/b/a Sorensen Gross Construction Services and Sorensen Gross, Inc., under a joint venture agreement ("collectively Sorensen Gross"), submitted the lowest bid in the amount of \$42,444,927.00;

Whereas, WWTP and G&H staffs reviewed the bids and recommend Sorensen Gross as the lowest responsible bidder;

Whereas, Sorensen Gross Construction Services received Human Rights approval on September 19, 2008, and complies with the City's living wage requirements;

Whereas, Sorensen Gross, Inc. received Human Rights approval on December 16, 2008, and complies with the City's living wage requirements;

Whereas, The RHI is included in the City's approved FY08-13 Capital Improvement Plan;

Whereas, City Council approved and appropriated \$31,000,000 of the RHI project budget as part of the FY09 Capital Budget process and funds are available for expenditure in the operating fund balance of the Sewage Disposal System; and

Whereas, The proposed FY10 Capital Budget process includes a request for approval and appropriation of funding for the remainder of the RHI multi-year project budget;

RESOLVED, That City Council approve award of a contract to Sorensen Gross in the amount of \$42,444,927.00 to perform the work specified in ITB No. 3972 for the life of the project with funds to be available until expended without regard to fiscal year;

RESOLVED, That City Council approve a contingency of \$4,244,000.00 to finance change orders to the contract during the life of the project (if required);

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 reimburse itself for the expenditures for the cost of the Project with proceeds of Bonds;

RESOLVED, That the Mayor and City Clerk be authorized to execute the 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 is authorized to take all necessary administrative actions to implement this resolution including the authority to approve change orders within the approved contingency.