Legislation Details (With Text)

File #:	21-2213	**Version:** 3	**Name:**	1/18/22 2020 & 2021 Sewer Lining
Type:	Resolution		**Status:**	Passed
File created:	1/18/2022		**In control:**	City Council
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Title: Resolution to Award a Construction Contract to SAK Construction, LLC ($5,946,305.00, Bid No. ITB-4693) for the 2020 & 2021 Sewer Lining Project

Sponsors:

Indexes:

Code sections:

Attachments: 1. ITB 4693_2020 & 2021 Sewer Lining Project - SAK(signed).pdf, 2. BidTab.pdf

Date	Ver.	Action By	Action	Result
1/18/2022	3	City Council	Approved	Pass

Resolution to Award a Construction Contract to SAK Construction, LLC ($5,946,305.00, Bid No. ITB-4693) for the 2020 & 2021 Sewer Lining Project
Attached for your review and approval is a resolution to award a contract to SAK Construction, LLC, in the amount of $5,946,305.00, for the 2020 & 2021 Sewer Lining Project.

This project includes lining approximately 65,000 feet of sanitary and storm sewer at multiple locations throughout the City, as well as contingencies to repair or maintain segments of pipe where lining is not feasible. In addition, the project will line 50 sanitary sewer manholes to aid in limiting stormwater infiltration into the sanitary sewer system. Those locations are combined into one contract for efficiency and cost savings. The project locations were identified by City staff as in critical need of repair.

Lining is a “trenchless” technology that enables pipe repair or maintenance without disturbing the surface above. During lining, new material is pumped into the existing pipe, creating a new pipe inside the existing one. The process is not only cost effective but eliminates the need for extensive excavation and lengthy traffic control measures, thereby minimizing traffic disruption. The project is expected to begin in January 2022.

In response to the Invitation to Bid (ITB-4693), four (4) bids were received on October 20, 2021. The low bid from SAK Construction, LLC. of $7,113,816.00 is approximately $1,200,000.00 over the Engineer’s Estimate. Although the Engineer’s Estimate was based on recent bid prices, it did not include several factors specific to this project, such as the location of portions of the project in the downtown area and the current cost of styrene-free liner material. In addition, access to portions of the sewer and flow control will require additional work by the contractor.

The amount budgeted to this project from the Stormwater Fund was inadequate to cover the entire amount of storm sewer work in the original bid. Thus, staff decided to reduce the amount of work on the storm sewer system through this contract to bring the total cost of the storm sewer work within

the approved budget. This reduction in scope was agreeable to the contractor. Therefore, the revised contract amount will be $5,946,305.00.

Attached is a summary of the bids received for the project and a revised Bid Tab that has been accepted by the Contractor.

SAK Construction, LLC complies with the requirements of the Non-Discrimination, Conflict of Interest, and Living Wage ordinances and submitted the appropriate Responsible Contractor documentation.

Budget/Fiscal Impact: The City of Ann Arbor Capital Improvements Plan (CIP) includes the 2020 & 2021 Sewer Lining Projects (UT-SN-21-03, UT-SN-21-04 & UT-ST-14-07). Total estimated project costs are $7,432,882.00. Funding for the project as modified is included in the approved Sewage Disposal System ($4,535,058.00) and Stormwater Sewer System Fund ($2,897,824.00) capital budgets.
Prepared by: Nicholas Hutchinson, P.E., City Engineer
Reviewed by: Craig Hupy, Public Services Area Administrator
Approved by: Milton Dohoney Jr., Interim City Administrator
Whereas, It is necessary to repair or maintain sanitary and storm sewers in various locations throughout the City in order to provide reliable sewer service;

Whereas, Competitive bids were received by the Procurement Unit on October 20, 2021 and SAK Construction, LLC. was the lowest responsible bidder;

Whereas, It is now appropriate to enter into a contract with SAK Construction, LLC for the 2020 & 2021 Sewer Lining Project; and

Whereas, SAK Construction, LLC complies with the City's Non-Discrimination, Conflict of Interest and Living Wage ordinances and submitted the appropriate Responsible Contract documentation;

RESOLVED, That a contract in the amount of $5,946,305.00 be awarded to SAK Construction, LLC for the 2020 & 2021 Sewer Lining Project (Bid No. ITB-4693);

RESOLVED, That a contract contingency amount of $350,000.00 be established within the project budget and that the City Administrator be authorized to approve additional change orders to the construction contract with SAK Construction, LLC not to exceed $350,000.00 in order to satisfactorily complete this project;

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 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;

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

RESOLVED, That the City Administrator be authorized to take necessary administrative actions to implement this resolution, including issuing temporary and permanent Traffic Control Orders and night work authorizations as required for the construction of the project.