



Legislation Text

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Resolution to Approve a Contract with Spence Brothers for Water Treatment Plant Steere Farm Well Engine Replacement Project - ITB #4440 (\$2,945,500.00)

The memorandum and resolution requests approval to award a contract to Spence Brothers for the Water Treatment Plant Steere Farm Well Engine Replacement Project ITB #4440 (\$2,945,500.00).

The Steere Farm Well Field is located on the Ann Arbor Airport property. The three active wells, each with a capacity of 2,500 gallons per minute, are critical infrastructure providing 20% of the City's raw water firm capacity to the Water Treatment Plant (WTP). The wells are currently powered by natural gas-driven engine drives, two originally installed in 1965 and one in 1974. They have exceeded their service life and require replacement. In March 2015, a Resolution for design services with Tetra Tech of Michigan, PC was approved by Council to evaluate alternatives for replacing the 1965 and 1974 engines. Tetra Tech's evaluation of the existing infrastructure determined that replacement of the existing natural gas engines with electric motors would improve reliability and control. In addition, they recommended adding a natural gas back-up generator to ensure the City's ability to obtain water from its wellfield in the event of a power outage. These recommendations are incorporated into the construction contract for this project. Also included in this project is the construction of a duct bank for the new electrical supply, a new pre-engineered building at Well House 25W, as well as electrical, mechanical, and architectural improvements to other well house buildings.

This project is included in the Council-approved Capital Improvement Plan for FY17.

The City received the following four (4) bids for this work:

Bidder	Base Bid	Alternate 7 - Training	Total Bid
Spence Brothers	\$2,940,000.00	\$5,500.00	\$2,945,500.00
Sorensen Gross Company	\$3,069,500.00	\$5,250.00	\$3,074,750.00
A.Z. Shmina, Inc.	\$3,297,000.00	\$6,000.00	\$3,303,000.00
Shaw Electric Co.	\$4,155,700.00	\$7,000.00	\$4,162,700.00

Bid Alternate #7 represents additional training to be provided by the manufacturer for the most critical pieces of new equipment, namely the variable frequency drives and generators.

Since Spence Brothers submitted the lowest responsible bid in the amount of \$2,945,500.00, it is recommended that their bid for \$2,945,500.00 including Bid-Alternate #7 be accepted, and that Spence Brothers be awarded the contract for the Water Treatment Plant Steere Farm Well Engine Replacement Project ITB#4440. It is also recommended that a construction contingency in the amount of \$300,000.00 be approved to finance change orders to be approved by the City Administrator.

The overall budget for the project is estimated at \$3,964,194.00 which includes:

Base bid from Spence Brothers: \$2,940,000.00,
Alternate 7 for Manufacturer Training: \$5,500.00,
Construction Contingency for Spence Brothers: \$300,000.00,
Project management and inspection services by City Staff: \$80,000.00,
Bond service fees: \$120,900.00,
Tetra Tech design and construction engineering services: \$397,863.00, and
Tetra Tech Amendment No. 1 for construction engineering services (and contingency):
\$119,931.00

Funds for this project are available in the approved Water Supply System capital improvement budget.

Spence Brothers complies with the City's Living Wage and Non-Discrimination Ordinances

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Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, Steere Farm Wells represent critical water infrastructure that provide 20 percent of the City's raw water firm capacity to the Water Treatment Plant;

Whereas, The Steere Farm Well Engine Replacement Project is required to replace critical infrastructure, including the engine drives for the well pumps that have exceeded their service life and to improve operation, maintenance, and reliability of the well water system;

Whereas, Of the four (4) proposals received, Spence Brothers provided the lowest responsible bid in the amount of \$2,945,500.00;

Whereas, The Steere Farm Well Engine Replacement Project is identified as a high priority project in the City's approved Capital Improvement Plan for FY17;

Whereas, This project will be funded from the approved Water Supply System capital budgets; and

Whereas, Spence Brothers complies with the City's Living Wage and Non-Discrimination Ordinances;

RESOLVED, That Council accepts the proposal for the Base Bid plus Alternate 7, and awards a contract to Spence Brothers in the amount not to exceed \$2,945,500.00;

RESOLVED, That a contingency in the amount of \$300,000.00 be approved to finance change orders to the contract with Spence Brothers to be approved by the City Administrator;

RESOLVED, That the Mayor and the City Clerk be 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 City make the following declaration for the purposes 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 expect to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds;

RESOLVED, That the funds be available for the life of the project without regard to fiscal year; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.