



## Legislation Text

File #: 21-1823, Version: 1

Resolution to Award a Construction Contract for Galvanized Water Service Line Replacements to SWT Excavating, Inc. in the amount of \$1,013,116.15 per Year for a Period of Two Years (\$2,026,223.30 ITB No. 4694)

Attached for your approval is a resolution authorizing a construction contract with SWT Excavating, Inc. for \$1,013,116.15 per year for galvanized water service line replacements for two (2) years with the option to renew for one (1) additional year.

Most water service lines installed in Ann Arbor before 1928 and some services installed during World War II (1942-1945) were made of galvanized iron and connected to the water main with a short piece of flexible lead pipe, known as a “gooseneck”. The City has removed and replaced the publicly owned portion of all known galvanized water service lines and lead goosenecks. In June of 2018, an updated Lead and Copper Rule was adopted by the State of Michigan. The rule requires that water suppliers replace both the publicly owned and privately owned portions of galvanized service lines that are or were connected to lead. Water suppliers must replace these lines at a rate of 5% per year. Additionally, the rule also prohibits partial replacements, which includes repairs to leaking service lines. The City does not have the resources to complete this work in-house and so a contract for the work is needed to ensure swift response to leaking service lines and to meet the annual replacement rate.

ITB No. 4694, Galvanized Water Service Line Replacement, was advertised on the City’s Website and on the Bidnet website. One (1) bid was received and publicly opened on October 13, 2021. SWT Excavating, Inc. was determined to be a responsible bidder.

SWT Excavating, Inc. submitted all required Responsible Contractor Criteria, Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms; and complies with the requirements of the City’s Responsible Bidder, Non-Discrimination, Prevailing Wages, and Living Wage ordinances

Company	Total Bid
SWT Excavating, Inc	\$1,013,116.15

Budget/Fiscal Impact: The FY 2022-2027 Capital Improvements Plan included this project under Galvanized Water Services Replacements (UT-WS-20-14). Funding for the galvanized water service replacement project is included in the approved FY22 Water Supply System Capital Budget and will be available in subsequent budgets if approved by council.

Prepared by: Paul Matthews, Public Works Assistant Manager

Reviewed by: Molly Maciejewski, Public Works Unit Manager  
Craig Hupy, Public Services Area Administrator

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, In June of 2018, an updated Lead and Copper Rule was adopted by the State of Michigan;

Whereas, The rule requires that water suppliers replace both the publicly owned and privately owned portions of galvanized water service lines that are or were connected to lead;

Whereas, ITB quantities were established on a per unit basis for materials and labor, however, each service line will vary in total cost and so a large contingency is necessary to ensure adequate funding for the replacements;

Whereas, One bid (ITB No. 4694) for galvanized water service line replacement was received on October 13, 2021;

Whereas, SWT Excavating, Inc. was determined to be a responsible bidder;

Whereas, Funding is available in the Water Supply System Capital Budget; and

Whereas, SWT Excavating, Inc. has submitted all required Responsible Contractor Criteria, Non-Discrimination, Prevailing Wage, Living Wage, and Conflict of Interest Disclosure forms and complies with the requirements of the City's Responsible Bidder, Non-Discrimination, Prevailing Wages, and Living Wage ordinances;

RESOLVED, That City Council approve a two (2) year construction contract with SWT Excavating, Inc. in the amount of \$1,013,116.15 per year subject to Council's appropriation of commensurate funds in subsequent years, galvanized water service line replacements;

RESOLVED, That a contract contingency amount of \$202,623.23 be established within the project budget and that the City Administrator be authorized to approve additional change orders to the construction contract with SWT Excavating, Inc. not to exceed the \$202,623.23 contingency amount (not to exceed a total contract amount of \$2,228,855.53) 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 City Administrator be authorized to renew the contract for up to one (1) additional year subject to an up to 3% increase in unit prices provided both parties agree to an extension and subject to the availability of funds;

RESOLVED, That the City Administrator be authorized and directed to execute the contract with SWT Excavating, Inc., subject to approval by the City Administrator as to substance and subject to approval by the City Attorney as to form; and

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