



## Legislation Text

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**File #:** 22-0544, **Version:** 1

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Resolution to Award a Construction Contract to SAK Construction, LLC (\$1,048,468.00, Bid No. ITB-4704) for the 2022 Sewer Lining Project

Attached for your review and approval is a resolution to award a contract to SAK Construction, LLC., in the amount of \$1,048,468.00, for the 2022 Sewer Lining Project.

This project includes lining approximately 5,700 feet of sanitary sewer at multiple locations throughout the City, as well as contingencies to repair segments of pipe where lining is not feasible. In addition, the project will line 25 sanitary sewer manholes to aid in limiting stormwater infiltration into the sanitary sewer system. 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 May 2022.

The project was sent out for bid in December 2021 (ITB-4704) under the previous Responsible Contractor Policy (which predated Ordinance 21-41). In response to the Invitation to Bid, four (4) bids were received on February 1, 2022. The lowest responsible bidder was SAK Construction, LLC with a bid of \$3,215,239.00.

The amount of work included in the bid package resulted in the total bid amounts exceeding the available annual budget for sanitary sewer lining. Thus, to bring the total project cost within the approved budget, quantities of specific pay items were reduced and bid unit prices applied to the revised scope of work resulting in a proposed contract amount of \$1,048,468.00 which is agreeable to the bidder.

SAK Construction, LLC complies with the requirements of the non-discrimination and living wage ordinances and has submitted the appropriate responsible contractor documentation.

**Budget/Fiscal Impact:** The City of Ann Arbor Capital Improvements Plan (CIP) includes the 2022 Sewer Lining Projects (UT-SN-21-05). Total estimated project cost is \$1,500,000.00. Funding for the project as modified is included in the approved Sewage Disposal System Fund Capital Improvements Plan.

Prepared by: Nicholas Hutchinson, P.E., City Engineer

Reviewed by: Brian Steglitz, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr., Interim City Administrator

Whereas, It is necessary to repair and maintain sanitary sewers in various locations throughout the City in order to provide reliable sewer service;

Whereas, Competitive bids were received by the Procurement Unit on February 1, 2022 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 2022 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 City Council approve a construction contract with SAK Construction, LLC in the amount of \$1,048,468.00 for the 2022 Sewer Lining Project (ITB 4704);

RESOLVED, That a contract contingency amount of \$100,000.00 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 \$100,000.00 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.