



City of Grand Island

Tuesday, July 22, 2008

Council Session

Item G7

#2008-194 - Approving Bid Award for Rogers Reservoir Tank Improvements Project

Staff Contact: Gary R. Mader; Wesley Nespor

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Wesley Nesor, Asst. City Attorney/Purchasing

Meeting: July 22, 2008

Subject: Rogers Reservoir Tank Improvements Water Project

Item #'s: G-7

Presenter(s): Gary R. Mader, Utilities Director

Background

The Utilities Department periodically retains the services of a consultant to review the City's water system for deficiencies and to assist in planning future requirements. The water system must meet certain operational standards to be suitable both for human consumption and for fire protection. These operational standards include analyzing chemical and microbiological components of the water, and hydraulic testing of the system for flow and pressure characteristics. The consultant also projects future system demands and recommends improvements for pumping and distribution components of the system, as well as groundwater sources.

The last study was conducted in 2001 by CH2MHill, which resulted in a Master Plan for the water system. Based on this Master Plan, areas of deficiency were noted, as well as a general timetable for completing corrective action. Some of the projects completed from the Master Plan recommendations include: addition of the corrosion control system, modifications to the Platte River Pumping Station, and repairs to the Kimball Reservoir. Because of increasing groundwater contamination and more stringent regulations, the Master Plan recommends planning for abandonment of the wells located in the City. In fact, two of the seven wells that were in operation at the time the Master Report was drafted have been abandoned because of contamination.

To replace lost wells, and to meet future City growth, the Master Plan recommends increasing pumping capacity and water storage volume at the Rogers Reservoir and Pumping Station. The Rogers Reservoir is located on the west side of the City at Old Potash Highway and North Road.

The project to increase the pumping capacity of that station was completed in 2004. The next step in completing the expansion of the station in this rapidly growing part of the

City is the construction of a second water storage reservoir. Funds are included in the current Water Department budget to begin this next phase. Funds are also included in the proposed '08-'09 Water Department budget to complete this large construction project over two years. An RFP for engineering services for reservoir design was issued in mid 2007; resulting in the selection of Olsson Associates of Grand Island as the design engineer for the reservoir project.

The existing water storage reservoir at the Rogers Pumping Station is of steel construction. With the rapid escalation of metals prices in recent years, the engineer was directed to evaluate both steel and pre-cast concrete as construction material for this project. The Engineer's research showed that a pre-cast concrete reservoir has lower maintenance cost over the lifetime of the reservoir, primarily due to having to repaint interior steel surface every 10 to 20 years. In the past, steel reservoirs have had a much lower initial cost. But with the recent increases in steel prices, the steel reservoir was estimated by the engineers to have a slightly higher initial cost. The bid specifications were written to allow bidding of either concrete or steel construction. Both bids received were for concrete construction.

The design of the reservoir addition was completed, specifications prepared and bids solicited for the project – Rogers Reservoir Tank Improvements Water Project.

Discussion

The specifications for the Rogers Reservoir Tank Improvements Water Project were advertised and issued for bid in accordance with the City Purchasing Code. Bids were publicly opened on July 10, 2008. Responses were received from the below listed bidders. The engineer's estimate for this project was \$1,795,000.00.

Bidder	Bid Price
Natgun Corporation, Wakefield, MA	\$1,772,300.00
Preload, Inc., Hauppauge, NY	\$2,204,830.00

The bids were reviewed by our consulting engineer for this project, Olsson Associates, and by Utility Engineering staff. The bid from Natgun Corporation is compliant with specifications and less than the engineer's estimate.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council award the Contract for Rogers Reservoir Tank Improvements Water Project to Natgun Corporation of Wakefield, MA, as the low responsive bidder, with the bid price of \$1,772,300.00.

Sample Motion

Move to approve award of the bid of \$1,772,300.00 from Natgun Corporation for the Rogers Reservoir Tank Improvements Water Project as submitted.



Dale M. Shotkoski, Assistant City Attorney

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Better Tomorrow, Today*

BID OPENING

BID OPENING DATE: July 10, 2008 at 1:30 p.m.
FOR: Rogers Reservoir Tank Improvements Water Project
DEPARTMENT: Utilities
ESTIMATE: \$1,795,000.00
FUND/ACCOUNT: 525
PUBLICATION DATE: June 19 & 26, 2008 and July 3, 2008
NO. POTENTIAL BIDDERS: 27

SUMMARY

Bidder:	<u>Natgun Corporation</u> Wakefield, MA	<u>Preload, Inc.</u> Hauppauge, NY
Bid Security:	Western Surety Company	Travelers Casualty & Surety Co.
Exceptions:	None	None
Material:	\$ 620,600.00	\$ 732,860.00
Labor:	\$1,108,100.00	\$1,420,670.00
Sales Tax:	\$ <u>43,600.00</u>	\$ <u>51,300.00</u>
Total Base Bid:	\$1,772,300.00	\$2,204,830.00

cc: Gary Mader, Utilities Director
Dale Shotkoski, City Attorney
Jeff Pederson, City Administrator
Karen Nagel, Utilities Secretary

Bob Smith, Assist. Utilities Director
Wes Nespor, Assist. City Attorney
Lynn Mayhew, Utilities Eng.



July 10, 2008

Lynn Mayhew P.E.
Utilities Production Engineer
City of Grand Island
100 East First Street
Grand Island, NE 68801

RE: Engineer's Recommendation for Award
Rogers Reservoir Tank Improvements
Grand Island, Nebraska
OA Project No. 008-0152

Dear Mr. Mayhew:

We received a total of two (2) bids for the base bid (pre-stressed concrete tank) and no bids for the alternate bid (welded steel tank). The low bidder for the base bid was Natgun Corporation with a bid of \$1,772,300. Natgun Corporation was a preapproved bidder for the 3,000,000 gallon prestressed concrete tank and has a good reputation in the industry. Our recommendation is to award the project to Natgun Corporation.

If you have any questions, please let me know.

Sincerely,

Joseph C. Baxter

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RESOLUTION 2008-194

WHEREAS, the City of Grand Island invited sealed bids for Rogers Reservoir Tank Improvements Water Project, according to plans and specifications on file with the Utilities Department ; and

WHEREAS, on July 10, 2008, bids were received, opened and reviewed; and;

WHEREAS, Natgun Corporation of Wakefield, MA submitted a bid in accordance with the terms of the advertisement of bids and plans and specifications and all other statutory requirements contained therein, such bid being in the amount of \$1,772,300.00; and

WHEREAS, the bid of Natgun Corporation, is less than the estimate for the Rogers Reservoir Tank Improvements Water Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the bid of Natgun Corporation of Wakefield, MA, in the amount of \$1,772,300.00 for Rogers Reservoir Tank Improvements Water Project is hereby approved as the lowest responsible bid.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 22, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk