



Date: January 17, 2012

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Jerry F. Morrone, Utility Engineering Supervisor
Subject: Construction Contract for the Angier Avenue Elevated Water Storage Tank

Executive Summary

The Department received bids on Thursday, December 8, 2011 for the Angier Avenue Elevated Water Storage Tank (Angier Tank). The proposed project consists of the construction of the 3 million gallon water storage tank and a booster pump station within the tank. The booster station will supply water to the future Southeast Pressure Zone (SEPZ). Landmark Structures I, L.P. was the lowest responsive and responsible bidder.

Recommendation

The Department recommends that the City Council:

1. Authorize the City Manager to execute a contract with Landmark Structures I, L.P. for the Angier Tank Construction Project for \$5,515,000.00
2. Establish a contingency fund for the contract in the amount of \$550,000.00 and
3. Authorize the City Manager or his designee to execute change orders for the contract provided that the cost of all change orders does not exceed \$550,000.00 and the total project cost does not exceed \$6,065,000.00.

Background

This project consists of the construction of a new elevated water storage tank. The new tank will be 3.0 million gallons in size. The City hired a consultant, Hazen & Sawyer, to perform hydraulic modeling of the water distribution system to evaluate the need for additional distribution storage. Distribution storage consists of finished drinking water stored in ground and elevated storage tanks. Distribution storage is needed to equalize flow rates during peak times of water use during the day. It is also needed to supply water and maintain system pressure during emergencies such as fires and water line breaks. The study identified the need for a new elevated storage tank to meet future water demands of the City.

The study also identified the need to establish a new pressure zone, SEPZ, within the City's water distribution system. The need for the higher pressure zone is due to higher land elevations in the future zone and to address some identified pressure issues in the Imperial Center Area.

The City selected the engineering firm of Kimley Horn and Associates to design the tank and oversee its construction.

Issues and Analysis

Only two bids were received on the original bid date of December 1, 2011. State construction bidding law requires the City to receive a minimum of 3 bids in order to open bids for a project of this cost for the initial advertising period. The Department

re-advertised the project for an additional period and bids were opened on December 8, 2011.

The bid results are:

Contractor	Base Bid	Alternate Bid
Landmark Structures I, L.P.	\$5,515,000.00	\$5,465,000.00
Chicago Bridge and Iron	\$5,893,000.00	\$5,990,000.00

The Department recommends the City Council award the contract to Landmark Structures, the lowest responsible and responsive bidder for the base bid amount.

The base bid includes a more advanced coating system that the City wanted to price against a more traditional alternate coating system. The City staff recommends the base bid because it has a longer service life and an additional 5 years of warranty. The Alternate Bid does not provide sufficient savings to offset the additional value provided by the base bid system.

Alternatives

Alternative 1: Do not go forward on the project – This is not recommended at this time. The tank will address current pressure issues, will maintain system pressure for future growth and provide for the booster station for the future SEPZ. Not moving forward with the construction will lead to system pressure issues within the distribution system and impact fire protection in the RTP area. In addition, the cost of the construction is very good considering recent steel and concrete prices. The City’s engineer recommends Landmark for selection based both on the price and a history of high quality work.

Alternative 2: Select the alternate bid presented by Landmark – This is not recommended for the reasons described above.

Financial Impact

Funding for this contract was budgeted for the Finished Water Storage Improvements and Southeast Distribution System Expansion Accounts. There are currently funds available in these accounts:

Finished Water Storage Improvements	\$ 4,600,000.00	4100P760-731000-P0400
Finished Water Storage Improvements	\$ 415,000.00	4100P761-731000-P0400
Southeast Distribution System	\$ 500,000.00	4100P760-731000-P0B08
Finished Water Storage Improvements (contingency)	\$ 550,000.00	4100P761-731900-P0400
Total	\$ 6,065,000.00	

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Landmark Structures I, LP Fort Worth, Texas to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 3% and WSDBE 1%. It was determined that Landmark

Structures I, LP was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

Landmark Structures I, LP did not meet the MSDBE goal or WSDBE goal for this project but demonstrated a good faith effort in trying to do so.

After Landmark Structures I, LP submitted their bid and good faith effort, they then discovered an error in their original submission and will use the following certified firm:

Firm	ID	City/State	Amount	% of Contract
ETC Concrete Construction Corp.	MSDBE	Raleigh, NC	\$127,234	2.3%

WORKFORCE STATISTICS

The workforce statistics for Landmark Structures I, LP are as follows:

Total Workforce	190	
Total Females	25	13%
Total Males	165	87%
Black Males	1	.5%
White Males	94	49.5%
Other Males	69	37%
Black Females	0	0%
White Females	20	10.4%
Other Females	5	2.6%