



Legislation Text

File #: 17-0137, **Version:** 1

MOTION TO APPROVE THE FIRST AMENDMENT, TO THE AGREEMENT WITH CARDINAL CONTRACTORS FOR THE EMERGENCY REPAIR PROJECT AT THE WATER TREATMENT PLANT, TO ADD THE EMERGENCY REPAIR OF THE EIGHT (8) ION EXCHANGE UNITS AND FILTER CELL RECOATING AT A COST OF \$2,725,479.90, WHICH INCLUDES A 10% OWNER'S CONTINGENCY, IN ACCORDANCE WITH SECTION 35.18(C)(1) OF THE PROCUREMENT CODE.

SUMMARY EXPLANATION AND BACKGROUND:

1. On February 3, 2016, the City Commission approved various emergency purchases for the Utilities Water Treatment Plant, in accordance with section 35.18(C)(1) of the procurement code.
2. One of the emergency purchases was for the ion exchange media and ancillary equipment from the sole source, Tonka Water, in the total amount of \$1,010,215.80, which includes a 10% Owner's Contingency of \$91,837.80.
3. The purpose of this purchase was to replace the media, that became fouled due to lime carry over and insufficient flow, in the eight (8) ion exchange treatment units along with replacement of support gravel and a new brine assembly.
4. On August 3, 2016, the City Commission ratified the City Manager's approval to enter into a contract with Cardinal Contractors for the Filter Bank Rehabilitation project at the Water Treatment Plant, in the amount of \$990,142, plus a 10% owner's contingency, for a total amount of \$1,089,156.20.
5. During the process of assessing the condition of Ion Exchange Units it was discovered that additional rehabilitation of the Ion Exchange Units were needed in order to make the units fully functional.
6. The Utilities Department has obtained a quote from Cardinal Contractors to provide the additional emergency repairs needed for the eight (8) Ion Exchange Units for a total cost of \$2,389,854.
7. In addition, the Utilities Department has also obtained a quote from Cardinal Contractors to provide the recoating of the filter cell interior, inclusive of the interior wall and metal refinishing, that was not originally requested by the Department or included in the scope of work for the Filter Bank Rehabilitation project. The quote to perform this additional work is \$87,855.
8. Cardinal Contractors is already on site as they are working on the Filter Bank Rehabilitation project and can start working on the emergency repairs to eight (8) Ion Exchange Units and the additional filter cell recoating. The total cost for both of these additions is \$2,477,709.
9. The City Engineer has evaluated the proposals and has deemed that the pricing submitted is

reasonable based on the scope of the emergency services.

10. The Utilities Department would also like to include a 10% Owner's Contingency to cover any additional services needed, which would increase the total cost from \$2,477,709 to \$2,725,479.90.

11. Per Section 35.18(C)(1) of our Procurement Code; "In urgent cases of compelling emergency that require the immediate purchase of commodities or services, the City Manager is empowered to waive competitive bidding or competitive proposals and authorize the Chief Procurement Officer to secure by open market procedure any commodities or services, notwithstanding the estimated cost of the commodities or services."

12. Request City Commission to approve the first amendment, to the agreement with Cardinal Contractors for the emergency repair project at the Water Treatment Plant, to add the emergency repair of the eight (8) Ion Exchange Units and filter cell recoating at a cost of \$2,725,479.90, which includes a 10% owner's contingency, in accordance with Section 35.18(C)(1) of the procurement code.

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** \$2,725,479.90, which includes a 10% owner's contingency
- b) **Amount budgeted for this item in Account No:** There are sufficient funds available in account # 471-533-6031-64400 (Other equipment).
- c) **Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) **5 year projection of the operational cost of the project:** Not Applicable.
- e) **Detail of additional staff requirements:** Not Applicable.