

**COUNCIL ACTION FORM**

**SUBJECT: REPAINTING OF BLOOMINGTON ROAD ELEVATED TANK**

**BACKGROUND:**

The Bloomington Road Elevated Tank (BRET) is a 2,000,000-gallon steel tank which was constructed in 1989. On December 8, 2009, City Council authorized preliminary approval of the plans and specification and Notice to Bidders for a project to repaint the tank. On January 14, 2010, bids were opened for the project. A summary of all bids is as follows:

	<b>Base Bid</b>	<b>Alternate No. 1 (deduct)</b>	<b>Alternate No. 2 (add)</b>
J.R. Stelzer Company of Lincoln, NE	\$ 712,570	\$152,000	\$16,200
TMI Coatings, Inc. of St. Paul, MN	\$ 988,400	\$320,000	\$ 8,500
Maguire Iron, Inc. of Sioux Falls, SD	\$1,564,350	\$966,070	\$35,770

The adopted CIP budget for the work was \$400,000, with an additional \$75,000 budgeted for the installation of a mixing system for the tank. Because the bids exceed the budget for the work, staff recommends that Council receive this report of the bids, and delay action on awarding a contract until staff can fully evaluate the bids and determine an appropriate recommendation. The Notice to Bidders included a disclaimer that the City reserves the right to defer acceptance of any bid for a period of 60 days after the receipt of bids, and that no bid may be withdrawn during this period.

**ALTERNATIVES:**

1. Receive the report of bids and delay an award of contract.
2. Reject all bids.
3. Award a contract to the apparent low bidder, J R Stelzer Company, for the base bid and any desired combination of alternate bid items.

**MANAGER'S RECOMMENDED ACTION:**

Existing project funds are not sufficient for this entire project, and staff needs additional time to fully explore appropriate options. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby receiving a report of bids and delaying an award of contract.