

COUNCIL ACTION FORM

SUBJECT: NOTICE TO BIDDERS FOR WATER PLANT DEHUMIDIFICATION PROJECT

BACKGROUND:

The new water treatment plant started operation in 2017. After the facility start up, staff identified three areas where dehumidification is necessary but was not installed in the initial construction. Lack of dehumidification causes pipes to sweat, creating a maintenance issue for the pipe coatings. This has caused frequent projects to remove the paint and recoat. The dripping water also causes employee safety concerns with puddles on the floor and corrosion issues on electronics and control systems.

On July 9, 2019, Council authorized a contract for engineering services with KFI Engineers of St. Paul, Minnesota, for design of dehumidification improvements for the water treatment plant in an amount not to exceed \$66,500. The progress of the project slowed in the spring when City facilities closed due to COVID. The design work is now complete and ready for bidding.

The engineer's estimate of probable construction costs is \$223,000. The FY 2018/19 facility improvements CIP budget includes \$400,000 for design and construction of dehumidification.

As part of this Council action, staff is also requesting an amendment to the Professional Engineering Services agreement to add bidding and construction phase services. At the time the engineer was originally hired, they had proposed a bidding and construction phase contract of \$50,250. The scope of improvements was not fully known at that time, and staff chose not to contract for bidding and construction phase services until after final design was complete.

Now that the scope of work is known, staff is comfortable performing the daily construction observation duties that will be needed. The engineer will be available for milestone inspections and to answer technical questions during bidding and construction. The amendment for these services is a price not to exceed \$11,500. The summary of the project costs is shown on the next page.

Project Budget
FY 2018/19 CIP \$ 400,000

Estimated Project Expenses

Engineering	
Design	\$ 66,500
Bidding and Construction admin (this request)	\$ 11,500
Construction Estimate	\$ 223,000
<u>Contingency (10% of construction)</u>	<u>\$ 22,000</u>
Total Estimated Expense	\$ 323,000

ALTERNATIVES:

1. a. Grant preliminary approval of the plans and specifications and issue a Notice to Bidders, setting December 23, 2020 as the bid due date and January 12, 2021 as the date of public hearing.
- b. Approve the amendment to the contract with KFI Engineers of St. Paul, Minnesota, in the amount of \$11,500 for bidding and construction administration services.
2. Do not issue a Notice to Bidders or extend the engineering contract at this time.

CITY MANAGER'S RECOMMENDED ACTION:

Several areas of the water treatment plant need dehumidification in order to extend the useful life of piping and electronics, as well as alleviate some potential safety issues. The project was budgeted in the 2018/19 CIP as a part of the Water Plant Facility Improvements Project. Staff worked with the consulting team to design effective dehumidification systems and now are ready to bid the work.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.