

COUNCIL ACTION FORM

**SUBJECT: WATER POLLUTION CONTROL FACILITY RAW WASTEWATER
PUMPING STATION PIPE REPAINTING PROJECT**

BACKGROUND:

On September 25, 2012, Council granted preliminary approval of plans and specifications and issued a Notice to Bidders for the repainting of the Water Pollution Control (WPC) Facility Raw Wastewater Pumping Station (RWPS) piping. Bids were received and opened on October 30, 2012, with a total of six bids having been submitted.

Bids were as follows:

L & P Painting	\$ 48,975
Thomas Industrial Coatings	74,799
Mongan Painting Co., Inc.	80,288
Ziegler Industries, Inc.	84,900
TMI Coatings, Inc.	139,800
Pospisil Painting Inc.	199,133
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Engineer's Estimate	111,000
Construction Budget	\$ 128,000

Staff had concerns with L&P Painting's bid being significantly lower than the engineer's estimate and the others received. Discussions with L&P Painting revealed that they had not fully accounted for all costs necessary for containment during the repainting process. However, L&P Painting has stated they will honor their bid price and complete all work in accordance with the contract documents.

For public improvement contracts relating to public utilities such as this one, the City Council is not required to award the contract to the lowest bidder. The contract may be awarded by the City Council as it deems to be in the best interest of the City.

There is some concern by staff that selecting a contractor knowing they may be losing money on a project could lead to difficulties in obtaining the desired quality and protracted debates about minor change orders. However, since L & P Painting has satisfactorily completed previous painting projects for the WPC Facility, staff believes they will also complete this project to staff's satisfaction. Their bid is below the engineer's estimate and within the authorized budget, and staff recommends award to L&P Painting.

ALTERNATIVES:

1. Approve plans and specifications and award a contract to L&P Painting of Cedar Rapids, Iowa in the amount of \$48,975.
2. Reject the bid from L&P Painting and award a contract to Thomas Industrial Coatings of Pevley, Missouri in the amount of \$74,799.
3. Receive the report of bids and do not award a contract at this time.

MANAGER'S RECOMMENDED ACTION:

The original coating on the RWPS piping has failed; and due to its exposure to a wastewater environment, the piping has begun to show signs of corrosion. Sand-blasting and recoating of the piping is necessary to protect the piping from further corrosion and ensure the long-term integrity of the WPC Facility equipment. L&P Painting has submitted a bid of \$48,975 to perform the work and was determined to be the lowest responsible, responsive bidder. The contractor has agreed to honor their bid price and complete all work in accordance with the contract requirements, even knowing that they did not account fully for the cost of dust containment.

Based on the contractor's assurances and their track record on previous projects for the Water Pollution Control Facility, it is the recommendation of the City Manager that the City Council accept Alternative No. 1, thereby awarding a contract to L&P Painting of Cedar Rapids, Iowa in the amount of \$48,975.