

ITEM #: 18
DATE: 12-19-23
DEPT: W&PC

COUNCIL ACTION FORM

SUBJECT: BLOOMINGTON ROAD ELEVATED TANK VALVE IMPROVEMENT PROJECT

BACKGROUND:

Maintaining appropriate flow and pressure in the water distribution system is a very important aspect in providing a high-quality potable water for the water users and firefighting for the City of Ames. Replacing an existing valve with a new electrically operated valve would allow water treatment plant operators the ability to better maintain system pressure and flow in the event of main breaks, severe flow fluctuations, and unforeseen maintenance activities.

A project was designed that would ask a contractor to furnish all materials, labor, equipment, and supervision required to replace a 24" butterfly isolation valve, install an electric modulating valve actuator (EMA) and associated wiring and electrical requirements to allow the valve to be operated either locally from the site or remotely via the Water Treatment Plant's supervisory control and data acquisition (SCADA) system.

A Notice to Bidders for this project was issued in the fall of 2022, but the lone bid was higher than the engineer's estimate and the bid was rejected. Staff altered the scope of work to try to bring down the cost by: widening the construction window; including two additional valve and actuator manufacturers; moving the controls work from a base bid item to a bid alternate; and, having City staff complete some portions of the original project scope such as conduit replacement and junction box installation. A new Notice to Bidders was issued on November 8th, 2023. On December 5th, 2023, bids were opened, and two bids were received. A copy of the bid tabulation is shown below.

Bidder	Base Bid	Alternate #1	Total
Woodruff Construction, LLC	\$87,300	\$11,100	\$98,400
On Track Construction, LLC	\$86,640	\$9,430	\$95,070
<i>Engineer's Estimate</i>	<i>\$60,000</i>	<i>\$2,000</i>	<i>\$62,000</i>

On Track Construction, LLC, Inc. is the lowest responsible bidder. If this base bid were to be accepted, the revised project budget would be as follows.

	Authorized Funds	Project Expenses
FY 2021/22 Op Budget Carryover	\$34,000	
FY 2022/23 Op Budget Carryover	\$28,000	
Construction (Base Bid Only)		\$86,640
Contingency (10%)		\$8,660
Project Totals	\$62,000	\$95,300

Staff recommends rejecting all bids. Staff will evaluate the ability to stay within the FY 2023/24 Adjusted operating budget by procuring the equipment directly, contracting for the controls work directly, and soliciting quotes for labor on a time and material basis.

Should this approach still not allow the work to proceed within the Adjusted budget, staff would then use these funds for the Mortensen and County Line Road (MAC) tank valve improvement project included in the FY 2024/25 Requested budget. That project is similar in scope, but would utilize an existing valve, making it likely the work could be completed within the current year's adjusted budget. Staff would then make the necessary budget adjustments for the BRET valve work to take place in FY 2024/25.

ALTERNATIVES:

1. Reject all bids. Staff will then pursue the direct purchase of the equipment and controls work, and solicit bids for installation on a time and material basis. If that still does not result in a project that can be completed within the adjusted budget, staff would then defer the BRET work for one year and use the current year funds to move ahead with similar work at the MAC tank.
2. Award a contract for the BRET Water Tower Valve Improvements to On Track Construction, LLC. from Nevada, Iowa for \$86,640. Authorize a budget increase to \$95,300 utilizing undesignated funds from the available Water Fund balance.
3. Do not take any action at this time and provide direction to staff on the future of the project.

CITY MANAGER'S RECOMMENDED ACTION:

For the second time, bids for this work have come in over budget. Therefore, staff recommends pursuing a new plan that will include the direct purchase of the equipment and controls work, and the solicitation of bids for installation based on a time and materials in an effort to stay within FY 2023/24 project budget. **Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1 and reject all bids.**