



City Council Memorandum

To: Mayor Fasbender & City Council Members
From: Ryan Stempki – Public Works Director/City Engineer
Date: February 16, 2022
Item: Contract Award for W 4th Street Water Tower Reconditioning

COUNCIL ACTION REQUESTED

Council is requested to adopt the attached resolution to award a contract for the W 4th Street Water Tower Reconditioning.

BACKGROUND INFORMATION

The City received five bids for this project on February 9th. A summary of the bids is listed below.

<u>Bidder</u>	<u>Total Base Bid</u>	<u>Alternate Bid</u>
G&L Tank Sandblasting and Coatings LLC – Shelbyville, TN	\$722,500.00	\$3,500.00
Osseo Construction Co. LLC – Osseo, WI	\$876,000.00	\$12,000.00
Classic Protective Coatings, Inc. – Menomonie, WI	\$971,958.00	\$6,500.00
JR Stelzer Co. – Lincoln, NE	\$1,107,750.00	\$8,000.00
TMI Coatings, Inc. – St. Paul, MN	\$1,155,000.00	\$9,000.00

The low bid from G&L Tank Sandblasting and Coatings LLC came in 52% under the engineer’s estimate, which was \$1,400,000. This bid positions the project to come in within the 2022 budget. KLM Engineering (City’s Water Tower Consultant) stated the bid amounts overall were significantly lower than originally predicted due to the fact that the project schedule is occurring at a period when bidders were aggressively looking to fill their 2022 schedules. The City’s prevailing wage policy also did not apply to this unique project; therefore, labor and overhead were left to the competitive market.

STAFF RECOMMENDATION

Staff is recommending that the City Council move forward in adopting the attached resolution awarding the contract to G&L Tank Sandblasting and Coatings LLC, in the total amount of \$726,000.00 (which includes the alternate bid for adding “Home of the Raiders” facing the high school). Please refer to the attached award recommendation letter from KLM Engineering.

ATTACHMENTS

Resolution Receiving Bids and Awarding Contract
Award Recommendation Letter from KLM Engineering

CITY OF HASTINGS

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION RECEIVING BIDS AND AWARDING CONTRACT FOR W 4TH STREET WATER TOWER RECONDITIONING

WHEREAS, pursuant to an advertisement for bids for the W 4th Street Water Tower Reconditioning project, bids were opened on February 9, 2022 and tabulated according to law, and the following bids were received:

<u>Bidder</u>	<u>Total Base Bid</u>	<u>Alternate Bid</u>
G&L Tank Sandblasting and Coatings LLC – Shelbyville, TN	\$722,500.00	\$3,500.00
Osseo Construction Co. LLC – Osseo, WI	\$876,000.00	\$12,000.00
Classic Protective Coatings, Inc. – Menomonie, WI	\$971,958.00	\$6,500.00
JR Stelzer Co. – Lincoln, NE	\$1,107,750.00	\$8,000.00
TMI Coatings, Inc. – St. Paul, MN	\$1,155,000.00	\$9,000.00

and

WHEREAS, it is recommended that the contract be awarded with the Alternate Bid, which includes the “Home of the Raiders” lettering requested by the School District, and

WHEREAS, it appears that G&L Tank Sandblasting and Coatings LLC is the lowest responsible bidder.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HASTINGS AS FOLLOWS:

1. The Mayor and Clerk are hereby authorized and directed to enter into a contract with G&L Tank Sandblasting and Coatings LLC.
2. The total amount of the contract is hereby declared to be \$726,000.00.

ADOPTED BY THE CITY COUNCIL OF HASTINGS, MINNESOTA, THIS 22nd DAY OF FEBRUARY, 2022.

Ayes:

Nays:

ATTEST:

Kelly Murtaugh, City Clerk

Mary D. Fasbender, Mayor

SEAL

February 15, 2022

Ryan Stempski, P.E.
Public Works Director/City Engineer
City of Hastings
1225 Progress Drive
Hastings, MN 55033

by Email

RE: Bid evaluation for Cleaning, Repairing, & Painting of the 750,000-Gallon Elevated Reservoir (4th Street Tower) for the City of Hastings, MN. City Project No. 2022-2, KLM Project No. 1574-21.

Mr. Stempski,

The project bid opening was held on Wednesday, February 9, 2022, at 2:00 PM CST. Bids were opened publicly through QuestCDN's online bidding platform. Bids received were as follows:

Bidders	Base Bid	School Logo Add. Alternate Bid
G&L Tank Sandblasting and Coatings LLC	\$722,500.00	\$3,500.00
Osseo Construction Co. LLC	\$876,000.00	\$12,000.00
Classic Protective Coatings, Inc.	\$971,958.00	\$6,500.00
J.R. Stelzer Co.	\$1,107,750.00	\$8,000.00
TMI Coatings, Inc.	\$1,155,000.00	\$9,000.00

In review of documentation provided by each of the bidders, all bidders meet the qualifications of the Specifications and are considered responsible bidders eligible for award of this project.

The low bidder, G&L Tank Sandblasting and Coatings LLC, does not have a work history with KLM Engineering. As a result, several of G&L's provided municipal and consultant references for recent similar projects in Kentucky, Oklahoma, Missouri, Tennessee, and Minnesota, along with some manufacturer representatives known to KLM, were contacted. Responses were all positive, noting they were happy with the work performed, sites were kept clean, and work was done on time or ahead of schedule. A couple of the municipalities have already gone forward with awarding additional work to G&L.

In addition to contacting references, KLM had a lengthy video conference call with G&L to discuss their company history and work experience, KLM's expectations, general work performance measures, and project specific details. G&L also confirmed their intent to honor their Bid Proposal amounts. Bid amounts overall were significantly lower than originally predicted. The consensus of the bidders contacted was that the project schedule is occurring at a period most were still aggressively looking to fill in their predominantly busy 2022 season schedules.



Given the information received, KLM recommends awarding the contract to the lowest qualified bidder, G&L Tank Sandblasting and Coatings LLC, for the Base Bid amount of \$722,500.00. KLM also recommends including award of the School Logo Add. Alternate Bid amount of \$3,500.00, in anticipation the School District will pursue application of their logo.

Please feel free to contact me with any questions.

Sincerely,

KLM Engineering Inc.

Rodney Ellis
VP/COO