



### ***City Council Memorandum***

**To:** Mayor Fasbender & City Council Members  
**From:** Ryan Stempki – Public Works Director  
**Date:** September 3, 2024  
**Item:** Consider Resolution to Approve Industrial Park Water Tower Reconditioning Plans & Specifications with Exception to the Prevailing Wage Policy on City Projects and to Authorize Advertisement for Bids

#### **COUNCIL ACTION REQUESTED**

Council is requested to consider adopting the enclosed resolution approving the Industrial Park Water Tower Reconditioning plans and specifications with exception to the Prevailing Wage Policy on City Projects and authorizing advertisement for bids.

#### **BACKGROUND INFORMATION**

Reconditioning of the Industrial Park Water Tower involves structural repairs and replacement of coatings on the interior wet, interior dry, and exterior to protect the substrate of the tower. The City contracted with KLM (same consulting firm that was used in 2022 on the 4<sup>th</sup> Street Water Tower work) to prepare plans and specifications and to provide full time welding and coating inspections of the contractor's work. KLM advises that we see the same pool of well qualified contractors across the country bidding this type of project regardless of the wage rates. This is due to the fact that full tower reconditioning is specialized work, requiring experienced employees and expensive equipment. Exception to the Prevailing Wage Policy on City Projects was implemented in 2022 on the 4<sup>th</sup> Street Water Tower and the City experienced qualified and competitive bidding at a reduced price.

#### **FINANCIAL IMPACT:**

KLM further advised that most cities do not require prevailing wage rates when rehabilitating their water towers. For the Industrial Park Water Tower Reconditioning Project, KLM estimates an increase up to \$300,000 if the Prevailing Wage Policy were to apply. This would thereby increase the engineer's construction estimate from \$1,600,000 to \$1,900,000.

#### **ATTACHMENTS**

Resolution Approving the Project with Exception to the Prevailing Wage Policy on City Projects and Authorizing the Advertisement for Bids

**CITY OF HASTINGS**

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS WITH EXCEPTION FROM THE PREVAILING WAGE POLICY ON CITY PROJECTS, AND AUTHORIZING THE ADVERTISEMENT FOR BIDS FOR INDUSTRIAL PARK WATER TOWER RECONDITIONING PROJECT**

**WHEREAS**, the project plans and specifications have been completed by KLM Engineering, Inc., and

**WHEREAS**, it is recognized that full tower reconditioning is specialized work, and

**WHEREAS**, we anticipate the same pool of well qualified contractors to bid on this work, and

**WHEREAS**, the engineer’s construction estimate of the work increases from \$1,600,000 to \$1,900,000 if the Prevailing Wage Policy on City Projects applies, and

**WHEREAS**, the City Council may provide an exception to the Prevailing Wage Policy on City Projects.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HASTINGS AS FOLLOWS;** that

1. Plans and specifications for these improvements prepared by KLM Engineering, Inc. are hereby approved with an exception to the Prevailing Wage Policy on City Projects.
2. The Public Works Director shall prepare and cause to be published on the Quest Construction Data Network web site and on the City of Hastings official web site an advertisement for bids for the construction of the approved Project. The advertisement shall be published for three weeks, shall specify the work to be done, shall state that bids will be opened virtually on a date and time to be determined, and that no bids will be considered unless filed ONLINE and accompanied by a cash deposit, cashier’s check, bid bond, or certified check payable to the City of Hastings for 5% of the amount of each bid.

**ADOPTED BY THE CITY COUNCIL OF HASTINGS, MINNESOTA, THIS 3<sup>RD</sup> DAY OF SEPTEMBER 2024.**

Ayes:

Nays:

\_\_\_\_\_  
*Mary D. Fasbender, Mayor*

ATTEST: \_\_\_\_\_  
*Kelly Murtaugh, City Clerk*

SEAL