

Memo

To: City Administration/City Council

From: Mark Sollenberger/Water & Wastewater Director 

Date: November 8, 2018

Re: Bid award recommendation for Roundbottom Tank Improvements/Painting.

This memo is being written to recommend that city council award the bid for the "Roundbottom Tank Structural Improvements & Painting Project". The sealed bid for this project was received and opened at 2:00pm on 10-31-18. This was the second attempt for receiving bids for this project, with the first bid opening occurring on August 23, 2018 at 2:00pm. Only one bid was received at the first bid opening from Spiegel Industrial for a total bid of \$662,835.64. This amount was well over the 2018 water fund O&M budgeted amount of \$625,000.00 for this project. Another bid came in about 20 minutes late, and it was just below the budgeted amount. The city staff and our consultant engineer SGM both thought that the numbers were higher than we expected, and felt we could get a lower bid. It was decided to rebid this project with a different project schedule. The comments we received from several of the contractors who appeared interested in the project was that the schedule made it difficult for them to bid. The bids were sent out with the revised work schedule, but unfortunately we again only received one bid on October 31, 2018. However this time the bid received was more in line with what the city staff and SGM have been seeing in bids for this type of project, and with this in mind we both felt the project could now precede with Coblaco as the contractor if the city council agreed. Because the revised project schedule, which has the project being completed by the middle of June 2019, funds for this project will need to be carried over from the 2018 to the 2019 budget at some point. Another reason to proceed with this project now is that during this year's Sanitary Survey Inspection by CDPHE in August the Roundbottom Tank's roof vent was indicated to be a significant deficiency because of a potential contamination issue. SGM who did the design for the structural improvements for this project had planned for this vent to be replaced anyway, and CDPHE has already sent us an approval letter for all of the improvements. The new vent that was designed will address and correct the significant deficiency for this tank.

My recommendation is to award the bid to Coblaco Services Inc the lowest bidder for this project at a total cost of \$507,050.00. I have included SGM's structural engineer recommendation letter, and a copy of Coblaco's bid for your review. Thank you in advance for considering this request.

| <u>Vendor</u> | <u>Total Bid Amount</u> |
|-----------------------|-------------------------|
| Coblaco Services Inc. | \$507,050.00 |

November 8, 2018

Mark Sollengberger
Water and Wastewater Supervisor
City of Craig
300 W 4th Street
Craig, CO 81625

RE: Bid Evaluation Recommendation - 1.0 MG Roundbottom Tank Rehabilitation Project

Dear Mark,

The purpose of this letter is to provide a recommendation on Contractor selection for the 1.0 MG Roundbottom Tank Rehabilitation Project. The project was competitively re-bid for four weeks following receiving only one bid, which was well over the City's budget, during the original bidding period in August.

The City received one bid on October 31, 2018 from Coblaco Services, Inc. (Coblaco). TMI Coatings, Inc. showed interest in the project; however, their final bid was almost double the amount of Coblaco's bid number. Bid results are listed in the table below.

| Bidding Contractor | Base Bid | Bid Alternate | Total Bid |
|---------------------------|-----------------|----------------------|------------------|
| Coblaco Services, Inc. | \$426,050.00 | \$81,000.00 | \$507,050.00 |
| <i>City Budget</i> | | | |
| Lump Sum | -- | -- | \$625,000 |

SGM received correspondence from a number of Contractors during the bidding period. Following receipt of only one bid on bid opening day, SGM followed up with the other interested parties to learn the companies were already slated for projects but are interested in all future work with the City.

SGM reviewed the submitted bid package and spoke with Coblaco to discuss project approach and schedule. SGM has recent experience working on a similar tank rehabilitation project with Coblaco for the Town of Breckenridge. The onsite crew and management staff in the office have been responsive and easy to work with.

SGM recommends the City of Craig enter into a contract with Coblaco Services, Inc. for the 1.0 MG Roundbottom Tank Rehabilitation Project.

If you have any questions, please contact me at 970-384-9067.

Respectfully,

SGM Inc.



Theresa Weidmann, PE
Project Manager and Design Engineer, SGM

COBLACO SERVICES, INC.

Bid:

City of Craig

1.0 MG Roundbottom Tank Rehabilitation Project

Council Chambers at City Hall

300 West Fourth Street

Craig, CO 81625

Due 10.31.2018 2:00PM



Yard Office - 11905 124th Avenue, Henderson, CO 80640 - (303) 659-1958

Main Office - 700 Billings St. Unit L, Aurora, CO 80011 - (303) 690-7148

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SECTION 00300

BID FORM

Proposal of Coblaco Services, Inc. (hereinafter called "BIDDER"), organized and existing under the laws of the State of Colorado, doing business as Contractor, to **City of Craig, Colorado** (hereinafter called "OWNER")

In compliance with your Advertisement for Bids, BIDDER hereby proposes to perform all WORK for the construction of the **1.0 MG Roundbottom Tank Rehabilitation project** in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of the BID, each BIDDER certifies, and in the case of a joint BID, each party has been arrived at independently, without consultation, communication, or agreement as to any matter relating to the BID with any other BIDDER or with any competitor.

BIDDER has visited the site and become familiar with and is satisfied as to the general, local and site conditions that may affect cost, progress, performance and finishing of the WORK.

BIDDER has correlated the information known to BIDDER, information and observations obtained from visits to the site, reports and drawings identified in the CONTRACT DOCUMENTS and all additional examinations, investigations, explorations, tests, studies and data with the CONTRACT DOCUMENTS.

BIDDER has given OWNER written notice of all conflicts, errors, ambiguities or discrepancies that BIDDER has discovered in the CONTRACT DOCUMENTS and the written resolution thereof by the OWNER is acceptable to the BIDDER, and the CONTRACT DOCUMENTS are generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the WORK for which this BID is submitted.

BIDDER hereby agrees to commence WORK under this contract on or before a date to be specified in the NOTICE TO PROCEED and to:

Substantially complete the PROJECT (interior ready for disinfection and place online) by **May 31, 2019** and to finally complete by **June 14, 2019**.

BIDDER further agrees to pay as liquidated damages, the sum of **One Thousand** (\$1,000.00) for each consecutive calendar day after May 31, 2019, until reaching substantial completion,

BIDDER further agrees to pay as liquidated damages, the sum of **Two Thousand** (\$2,000.00) for each consecutive calendar day until final completion as provided in the Supplementary General Conditions.

BIDDER acknowledges receipt of the following ADDENDA:

Addenda #1

Addenda #2

Addenda #3

BIDDER will complete the WORK in accordance with the CONTRACT DOCUMENTS for the following price(s):

| Item No. | Description | Unit | Estimated Quantity | Bid Unit Price | Bid Price |
|----------|---|------|--------------------|----------------|--------------|
| 1 | Mobilization/Demobilization | LS | 1 | \$ 10,000.00 | \$ 10,000.00 |
| 2 | Magnetic Flux Leakage Scan | LS | 1 | \$ 7,500.00 | \$ 7,500.00 |
| 3 | 6" Diam. Floor Plate Patches | EA | 25 | \$ 250.00 | \$ 6,250.00 |
| 4 | 12" Square Floor Plate Patches | EA | 25 | \$ 500.00 | \$ 12,500.00 |
| 5 | 18" Square Floor Plate Patches | EA | 15 | \$ 750.00 | \$ 11,250.00 |
| 6 | ¼" Floor Plate Patches, Various Sizes | SF | 50 | \$ 80.00 | \$ 4,000.00 |
| 7 | Weld Deposition Repair | EA | 25 | \$ 100.00 | \$ 2,500.00 |
| 8 | New 18" Diam. Steel Vent Riser and AST Vent | EA | 1 | \$ 15,200.00 | \$ 15,200.00 |
| 9 | Tank Interior Coating | LS | 1 | \$166,250.00 | \$166,250.00 |
| 10 | Tank Exterior Coating | LS | 1 | \$120,000.00 | \$120,000.00 |
| 11 | Interior and Exterior Supplemental Heating | LS | 1 | \$ 5,250.00 | \$ 5,250.00 |
| 12 | Flexible Sealant | LS | 1 | \$ 6,600.00 | \$ 6,600.00 |
| 13 | Joint Repair | LS | 1 | \$ 6,900.00 | \$ 6,900.00 |
| 14 | Concrete Ringwall Crack Repair | LF | 20 | \$ 95.00 | \$ 1,900.00 |
| 15 | Concrete Ringwall Spall Repair | SF | 10 | \$ 95.00 | \$ 950.00 |
| 16 | Overflow Weir Modifications | LS | 1 | \$ 6,000.00 | \$ 6,000.00 |
| 17 | Drain Sump | LS | 1 | \$ 15,000.00 | \$ 15,000.00 |
| 18 | Cathodic Protection | LS | 1 | \$ 28,000.00 | \$ 28,000.00 |

Total for all Base Bid Prices:

Total Bid: Four-Hundred-Twenty-Six-Thousand-Fifty-Dollars

(Written)

\$ 426,050.00

(Numbers)

| 1.0 MG Roundbottom Tank Rehabilitation Bid Alternates | | | | | |
|--|--------------------------|------|--------------------|----------------|--------------|
| Item No. | Description | Unit | Estimated Quantity | Bid Unit Price | Bid Price |
| 1 | Center Column Capital | LS | 1 | \$ 18,000.00 | \$ 18,000.00 |
| 2 | Replacement Roof Framing | EA | 42 | \$ 1,500.00 | \$ 63,000.00 |

Total for all Bid Alternate Prices:

Total Bid: Eighty-one Thousand Dollars

(Written)

\$ 81,000.00

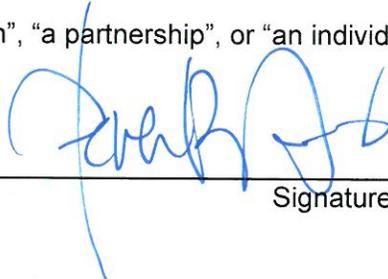
(Numbers)

Adjustment prices are subject to acceptance by BUYER, and rejection of one or more adjustment prices will not invalidate acceptance of the Bid.

BIDDER acknowledges quantities are not guaranteed and final payment will be based on actual quantities determined as provided in the Contract Documents.

Respectfully submitted:

* Insert "a corporation", "a partnership", or "an individual", as applicable.



Steven R. Davis

Signature

Coblaco Services, Inc., A Corporation, 700 Billings Street, Unit L, Aurora, CO 80011

Address



President

Title

Coblaco Services, Inc.

Firm Name

303.690.7148

Telephone

(SEAL, if Bid is by a corporation)

ATTEST:

Karmen J. Davis
Karmen J. Davis, Secretary

Name

END OF SECTION

Project Name: City of Craig 1.0 MG Tank Rehabilitation Project

Project Number:

The undersigned proposes to utilize the following equipment/material to be installed for this project.

| <u>ITEM</u> | <u>SUPPLIER</u> |
|---------------|-----------------|
| Tank Coatings | Tnemec Company |
| Roof Vent | Advanced Tank |

Name of Bidder Coblaco Services, Inc.

By Steven R. Davis, President

Date 10.29.2018

Project Name: City of Craig 1.0 MG Roundbottom Tank Rehabilitation Project

Project Number:

The undersigned proposes to utilize the services of the following subcontractors for this project. All Subcontractors must be listed and submitted with the Bid Documents, and any additions or substitutions must be approved by the Owner.

| <u>SUBCONTRACTOR</u> | <u>TRADE OR SCOPE OF WORK</u> |
|-------------------------------|--------------------------------------|
| Qualcorr | Cathodic Protection |
| Versa Integrity Group | Magnetic Flux Leakage Testing |
| Tnemec/Coblaco | Coatings |
| Integrity Welding/Fabrication | Fabrication and Welding |

Name of Bidder Coblaco Services, Inc.

By Steven R. Davis, President

Date 10/29/18

SECTION 00320

BID SECURITY
1.0 MG Roundbottom Tank Rehabilitation Project
CITY OF CRAIG

THE STATE OF Colorado)
KNOW ALL MEN BY THESE PRESENTS
COUNTY OF Denver)

That, we, Coblaco Services, Inc. of the City of Aurora,
County of Arapahoe and State of Colorado (hereinafter called Bidder) as
principal, and Developers*, **, (hereinafter call Surety) as surety, authorized
under the laws of the State of Colorado to act as surety on bonds for bidders, are held and
firmly bound unto the City of Craig (hereinafter called Owner) as obliged, in the penal
sum of Five Percent of the Total Amount Bid (\$ 5% Dollars) in lawful money of the United
States for payment of Bidders and Surety, bind themselves, their heirs, executors,
administrators, successors and assigns, jointly and severally and firmly by these presents.

WHEREAS, Bidder has submitted a Bid to enter into a certain written contract with Owner for
the 1.0 MG Roundbottom Tank Rehabilitation Project here in after referred to as Contract

NOW, THEREFORE, the condition of this obligation is such that if Owner shall accept the
Bid of the Bidder and Bidder shall faithfully enter into a contract with the Owner in accordance
with the terms of such Bid and give such Bonds as are specified in the Bidding or Contract
Documents; or in the event of the failure of Bidder to enter such Contract and give such
bond or bonds, if Bidder shall pay to Owner the difference not to exceed the penalty hereof
between the amount specified in said Bid and such larger amount for which Owner may in
good faith contract with another party to perform the Work covered by said Bid, then this
obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 31st day of October, 2018

Bidder as Principal
Karmen J. Davis
Karmen J. Davis, Witness
Secretary

By Alfonso Trujillo
Alfonso Trujillo, Vice President
700 Billings Street, Unit L, Aurora, CO 80011
Address



Surety
Sheila J. Montoya
Sheila J. Montoya, Witness

By Janet M. Elwell
Janet M. Elwell, Attorney-in-Fact

*Surety and Indemnity Company
**P.O. Box 19725, City of Irvine, County of Orange, State of California

P.O. Box 19725, Irvine, CA 92623-9725

Address

(949) 263-3300

Surety's Telephone No.

END OF SECTION

**POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA**
PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

Sheila J. Montoya, Janet M. Elwell, John Browning, Justin Tomlin, A. J. Jain, Charles M. McDaniel, Angela M. Tindol, Mona D. Weaver, jointly or severally

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this 6th day of February, 2017.

By: *Daniel Young*
Daniel Young, Senior Vice-President

By: *Mark Lansdon*
Mark Lansdon, Vice-President



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On February 6, 2017 before me, Lucille Raymond, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Daniel Young and Mark Lansdon
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Lucille Raymond*
Lucille Raymond, Notary Public



Place Notary Seal Above

CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 31st day of October, 2018.

By: *Cassie J. Berrisford*
Cassie J. Berrisford, Assistant Secretary

