

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Ken Hibl, City Manager
Date: June 2, 2010
Regarding: Engineering Services Agreement for Water Tank Painting – Dixon Engineering

For the Agenda of June 7, 2010

Background. The City's water tank is in dire need of repainting – in fact, we're advised that if it is not painted within the next year, it will likely require significant rehabilitation (equates to significant additional costs) work. We have contacted Dixon Engineering, considered to be one of "the" regional authorities in water tank engineering and an organization with whom the City has enjoyed a great professional relationship for more than 20 years, to solicit their assistance in developing bid specifications and bidding oversight for painting of the water tank. Based on a request from John Holland, our Water & Wastewater Superintendent, Dixon Engineering has provided a proposed agreement (*copy att'd*) for the requested services; John has recommended (*see copy of att'd memo*) acceptance of the proposal. The City Commission is asked to approve the agreement.

Issues & Questions Specified. Should the City Commission approve the proposed contractual agreement for services with Dixon Engineering?

Alternatives.

1. Approve the proposed services agreement.
2. Direct the solicitation of additional proposals.
3. Do not approve the proposed services agreement.
4. Defer the matter for further consideration and/or deliberation at a subsequent meeting.

Financial Impact. The cost of the initial services agreement will be \$2,800; funds are available in the City's current Water Fund to defray these costs. We anticipate recommending to the City Commission that we also engage Dixon Engineering to oversee the actual painting of our water tank, but we will ask Dixon to provide us a revised service agreement to include these services and present that agreement to the City Commission at a later date. As reflected in the attached letter, Dixon Engineering estimates these additional services would cost approximately \$6,000.

Recommendation. I recommend that the City Commission approve the proposed services agreement with Dixon Engineering by adoption of Resolution 2010-058.

Attachments.

1. Proposed Services Agreement.
2. John Holland Memo.
3. Resolution 2010-058.



DIXON

ENGINEERING AND
INSPECTION SERVICES
FOR THE COATING INDUSTRY
May 14, 2010

1104 Third Avenue
Lake Odessa, MI 48849
Telephone 1-616-374/3221
Fax 1-616-374/7116

Mr. John Holland, Water and Wastewater Supt.
City of Clare
202 W. Fifth Street
Clare, MI 48617

Subject: Engineering Services – Elevated Tank Repainting

Dear John:

As you requested, enclosed is a proposal to prepare specifications and bid documents for the exterior repainting of the City's 300,000 gallon elevated storage tank. Our scope of services includes bid review, letter of recommendation and preparation of the notice of award, notice to proceed and contract documents.

The specifications will be prepared based on the recommendations from our 2008 inspection report. The City can select which recommendations from the report that you want included in the project. The miscellaneous health and safety upgrades would be bid as line items allowing the City to delete any or all of them depending on budget limitations. The specifications can also include a two tone green and white paint job with a Shamrock logo.

After the bids are received, we can provide a project administration and field inspection services proposal. These services would be very similar to those we provided to the City when the interior of the tank was repainted. We estimate that cost to be around \$6000.


To obtain best bids for fall painting, we recommend advertising the project as soon as possible, before the contractor become booked with fall work.

We recommend advertising the project in June, opening bids at the end of June and awarding the project at the July council meeting. This will provide a 2 month lead time before the project starts and should generate excellent bidding interest from the contractors.

We are currently bidding a very similar project for Shepherd, so when we receive those bids that should give a good indication of the prices you can expect to see. Based on the bid results we have seen so far this year, we expect them to be less than the cost estimates in our report.

If you have any questions regarding our proposal, please contact me at (616) 374-3221, ext.303. We look forward to assisting the City with this project.

FOR DIXON ENGINEERING, INC.,


Ira M. Gabin, P.E.

Members: Steel Structures Painting Council
American Water Works Association
Consulting Engineers Council

4.01 Additional Services

- A. If additional services are requested and authorized by the OWNER which are not within the proposed Scope of Services or because of changes in the Project, these additional services will be on a time and material basis per fee schedule of attached Schedule C.

5.01 Termination: The obligation to provide further services under this agreement may be terminated by either party upon seven days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In the event of any termination DIXON will be paid for all services rendered to the date of termination, all expenses, termination expenses; all times an overhead and profit factor.

6.01 Controlling Law

- A. This Agreement is to be governed by the law of the state in which the Project is located.

7.01 Successors, Assigns, and Beneficiaries

- A. OWNER and DIXON are each bound to the other and to the other's successors, assignees, and legal representatives to the extent permitted by law in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither OWNER nor DIXON may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement.

8.01 General Considerations

- A. The standard of care for all professional engineering and related services performed or furnished by DIXON under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. DIXON makes no warranties, expressed or implied, under this Agreement or otherwise, in connection with DIXON's services. DIXON and its consultants may use or rely upon the design services of others, including, but not limited to, contractors, manufacturers, and suppliers.
- B. DIXON shall not at any time supervise, direct, or have control over any of OWNER's work, nor shall DIXON have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by OWNER, for safety precautions and programs incident to OWNER's performance of their Scope of Services where applicable. This clause applies to OWNER and to any and all other parties involved in PROJECT other than DIXON and DIXON's subcontractors.

- C. All design documents prepared or furnished by DIXON are instruments of service, and DIXON retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not PROJECT is completed. Any reuse of these documents requires written authorization by DIXON, may require adaptation of the documents by DIXON, and will entitle DIXON to further compensation.
- D. DIXON agrees to defend, indemnify, and hold harmless OWNER, its officers, agents, and employees, from and against legal liability for all claims, losses, damages, or expenses to the extent that such claims, losses, damages, or expenses are caused by DIXON's negligent or intentional acts, errors, or omissions. Limits of liability for negligence is based on the comparative negligence principle.
- E. The parties acknowledge that DIXON's scope of services does not include any services related to a hazardous environmental condition (including but not limited to: the presence of asbestos, PCBs, petroleum, hazardous substances or waste, and radioactive materials). DIXON acknowledges that some hazardous metals may be encountered in coatings.
- F. OWNER shall provide all criteria and full information as OWNER's requirements for PROJECT; designate a person to act with authority on OWNER's behalf in respect to all aspects of PROJECT; examine and respond promptly to DIXON's submissions; and give prompt written notice to DIXON whenever OWNER observes or otherwise becomes aware of anything that OWNER believes may be a defect in the work or a breach of Contract conducted by DIXON.
- G. OWNER shall also do the following and pay all costs incident thereto:
 - 1. Guarantee access to and make all provisions for DIXON to enter upon public and private property as may be necessary.
 - 2. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project.

8.02 Severability

- A. If any clause or paragraph or sentence is found to be in opposition to any law in the state of PROJECT, that clause or paragraph or sentence may be severed from the Agreement with no effect on remaining clauses.

8.03 Headings

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions. If words in the first sentence are in bold it is the intent they act as secondary headings and should not be interpreted any different than a numbered heading.

SCHEDULE A
300,000 Gallon Spheroid, #22-18-05-01
Clare, Michigan

I SPECIFICATIONS & CONTRACT DOCUMENTS

A. Owner agrees:

1. Use, unaltered, the contract documents provided by Dixon when entering into an agreement with the contractor. Dixon will not unreasonably withhold a request to alter the document. This clause is essential to protect Dixon's interest in regards to Contractor pays for default clauses. This provision in no way creates any contractual obligation, including those of third party beneficiary status, or relationship between DIXON and CONTRACTOR.
2. Pay all advertising costs. The method of advertising is to be determined by the Owner.
3. Provide a place for the bid opening.
4. Open the bids received.
5. Review Payment and Performance Bonds, and insurance certificates of selected Contractor. These should be reviewed by the Owner's insurance consultant and attorney.
6. Sign and forward to the contractor the notice to proceed. This Notice to Proceed will be supplied to Owner by Dixon.

B. DIXON agrees:

1. Preparation of Technical Specifications and Contract Documents:

- a. Prepare Technical Specifications and Contract Documents for project to include, but not limited to, the following:
 - 1) Advertisement for Bids
 - 2) Information for Bidders
 - 3) General Conditions
 - 4) Detailed specifications
 - 5) Inspection Form
 - 6) Bid/Agreement Form
- b. Address all questions, written or verbal response, concerning the project that are submitted to DIXON. (Dixon will not be held to any non-written statement.)
- c. Direct mail advertisements to Contractors who have been prior approved as capable and conscientious by DIXON.

- d. Send specifications to selected, appropriate Builders Exchanges and Dodge Reports.
- e. Review the bids submitted to the Owner and recommend award based on lowest responsible and responsive bidder.
- f. Furnish Owner and Contractor the Contract Documents to complete.
- g. Furnish Owner with complete Notice to Proceeds to sign and forward to the Contractor.

SCHEDULE B
300,000 Gallon Spheroid, #22-18-05-01
Clare, Michigan

1. Payment for scope of services, Schedule A, preparation of specifications and contract documents is the lump sum fee of **\$2,800.**
2. All DIXON service invoices which are paid within ten (10) days of date of issue shall be discounted (Owner's favor) one percent (1%).
3. All DIXON service invoices which are outstanding more than sixty (60) days from date of issue shall be assessed (DIXON's favor) one and one half percent (1½%) per month interest from date thirty days after date of issue.
4. Requests for attending council meetings shall be forthcoming from the Owner in writing unless other arrangements are made between the Owner and DIXON. Attendance of council meetings shall be considered additional service and DIXON shall be compensated under the provisions of Schedule C of the Contract.

SCHEDULE C

Engineering Services Fees

<u>Labor Class</u>	<u>Per Hour</u>	<u>*Overtime Rate</u>
Principal.....	\$175.00	
Expert Witness (Office, Travel & Court).....	\$185.00	
Project Manager.....	\$100.00	
Registered Professional Engineer.....	\$100.00	
Certified NACE Inspector.....	\$ 90.00	
Assistant Project Manager.....	\$ 80.00	
Staff Engineer – Level III.....	\$ 72.00 to \$85.00	
Staff Engineer – Level II.....	\$ 67.00 to \$80.00	
Staff Engineer – Level I.....	\$ 62.00 to \$75.00	
CAD Supervisor.....	\$ 65.00 to \$75.00	
CAWI or CWI Welding Inspector.....	\$ 67.00 to \$85.00	
Inspector – Level III.....	\$ 63.00 to \$80.00	
Inspector – Level II.....	\$ 60.00 to \$75.00	
Inspector – Level I.....	\$ 55.00 to \$70.00	
CAD Technician.....	\$ 60.00 to \$70.00	
Secretarial Services.....	\$ 48.00 & expenses	
Bookkeeping Services.....	\$ 44.00	
Project Status Meetings w/Project Engineers and Council or Board Meetings.....		Time and Expenses, Including Preparation Time

*All Saturday, Sunday, and holiday inspections are overtime rate. Overtime rate is 1 ½ time the hourly rate. Overtime rate does not apply to Principal.

Expenses:

	<u>Metropolitan</u>	<u>Out – state</u>
Mileage.....	\$0.70/mile (including tolls)	\$0.60/mile
Meals & Lodging,	\$105 per diem	\$95 per diem <i>(may be increased based on location)</i>
Without Lodging.....	\$35/day	\$30/day
Air Travel.....	Business fare from Grand Rapids Chicago O’Hare or Milwaukee, plus full size car rental	
Material (gaskets, cathodic protection caps, etc.).....	Negotiated	

FEES EFFECTIVE THROUGH JUNE 30, 2011

Revised 05/08

INTEROFFICE MEMORANDUM

TO: KEN HIBL
FROM: JOHN HOLLAND
SUBJECT: WATER TOWER PAINTING
DATE: 5/19/2010
CC: STEVEN KINGSBURY

Ken

I would like to recommend that the City begins the process to paint the water tower this fall. I requested a proposal from Dixon Engineering, our water tower engineer, for the RFP and bidding of the tower painting to be accomplished this fall. The price for this service is \$2,800. This does not include inspections and over site of the painting in the fall.

John

Att: Proposal

RESOLUTION 2010-058

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A SERVICES AGREEMENT WITH DIXON ENGINEERING.

WHEREAS, the City's 300,000-gallon public water storage tank is in dire need of painting; and

WHEREAS, the City solicited the professional services of Dixon Engineering, a firm considered to be the regional "expert" in water tank services and an organization with whom the City has enjoyed a superb professional relationship for more than twenty years, to write the bid specifications and solicit bids for the painting of said water tank; and

WHEREAS, Dixon Engineering has provided the City with a services agreement proposal deemed to be fair and equitable in respect to cost.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves a services agreement with Dixon Engineering to prepare bid specifications and bid documents for the exterior painting of the City's 300,000 gallon elevated water storage tank, to include bid review; preparation of bid recommendations; and preparation for notice of award documents, notice to proceed documents, and contract documents for a cost not to exceed \$2,800.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ supported by Commissioner _____ . The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 7th day of June 2010.

Diane Schmidt, City Clerk