

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: July 28, 2011**

**SUBJECT:** Tank Farm Exterior Coating Rehabilitation, CIP # W343 Construction Contract Award

**SUBMITTING DEPARTMENT:** Utilities Department

**PREPARED FOR:** Neil Wadsworth, Director

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

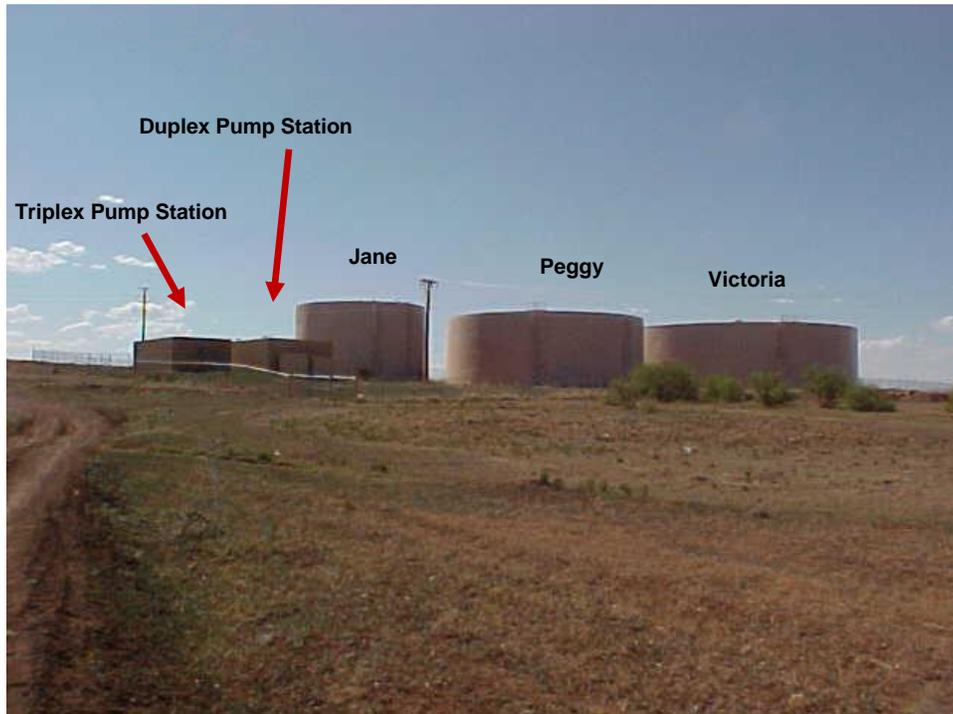
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**ATTACHMENTS:** a) Construction Contract

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**SUMMARY BACKGROUND:** This project, in general, is for rehabilitation of three water storage tanks located at the Tank Farm. This work involves pressure washing and reapplication of exterior coatings on the three tanks and the adjacent booster pump station buildings. The tanks are located approximately 1.25 miles north of East State Route 69, at the north end of Prescott East Highway and slightly west of the Granville community. Exterior coating is required to protect the tanks against corrosion and for aesthetic purposes. The tanks were inspected in November 2005 by Utility Service Co., Incorporated and the reports indicate that new coatings are necessary.

This project was scheduled to be performed in the next budget cycle (FY 2012/2013), however, the solar “Power Purchase Agreement” (PPA) is being planned for the Tank Farm later this year and application of tank coating prior to placing the solar arrays in October will minimize concerns with regard to paint overspray.



Construction bids were received on Monday, July 18, 2011 from six (6) contractors, as shown in Table A below:

**Table A**

<b>Rank</b>	<b>Bidder</b>	<b>Total Bid</b>
Low	Southwest Tank and Steel, Inc	\$68,260.00
2nd	Arizona Coating Applicators, Inc.	\$86,840.00
3rd	Fann Environmental, LLC.	\$102,058.00
4th	Blastco / Tarsco, Inc.	\$128,615.00
5th	Utility Service	\$130,000.00
6th	Technology Construction, Inc.	\$156,900.00

Upon review of bids received, it is recommended that award of the construction contract for the Base Bid go to Southwest Tank and Steel, Inc.

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**OPTION ANALYSIS:** The Council may vote to:

- 1.) Approve the award of the Construction Contract and budget transfers, **OR**
- 2.) Reject all bids and not approve budget transfers, **AND/OR**
- 3.) Direct staff to pursue other options

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**ACTION OPTION:** Motion to award a construction contract to the responsive low bidder, **Southwest Tank and Steel, Inc.**, in the amount of \$68,260.00 for the Tank Farm Exterior Coating Rehabilitation Project, **AND** Motion to approve budget transfers per the Fiscal Analysis, **OR** Motion to reject all bids and budget transfers. **VOTE**

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**RECOMMENDATION:** Staff recommends awarding the construction contract to the responsive low bidder for construction of the Tank Farm Exterior Coating Rehabilitation Project and approval of budget transfers to fully fund the contract award.

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**FISCAL ANALYSIS:** Since this project was not originally considered for the current budget year, a budget adjustment is required as shown in the fiscal analysis tables below. Funds will be transferred from the Fire Hydrant Program and the Valve Rehabilitation Program to fund the Tank Farm Exterior Coating Project. The shift of funds will have only a minor impact on these two existing projects because installation and replacement of fire hydrants is also conducted under the annual Valve Installation and Replacement Program and its funding increased \$40,000 over the previous year, from \$75,000 to \$115,000. Sufficient funds are still available to make needed repairs and install new fire hydrants.

**Table 1**

<b>Tank Farm Exterior Coating Rehabilitation</b>		
HTE Code(s): 511-7020-700-7418		Finance Proj. # (TBD)
FISCAL YR 2011/2012	Approved Budget: \$0.00 Expended & Encumbered: \$0.00 Construction Contract: (\$68,260.00) < (this action) 10% Contingency (\$6,826.00) Budget Transfer <u>\$75,086.00</u> < (this action) Balance: \$0.00	FISCAL YR 2011/2012

**Table 2**

<b>Fire Hydrant Program</b>		
HTE Code(s): 511-7020-700.7412		Finance Proj. CW0604
FISCAL YR 2011/2012	Approved Budget: \$100,000.00 Expended & Encumbered: \$0.00 Tank Farm - Budget Transfer: <u>(\$35,086.00)</u> < (this action) Balance: \$64,914.00	FISCAL YR 2011/2012

**Table 3**

<b>Valve Rehabilitation Program</b>		
HTE Code(s): 511-7020-700.7413		Finance Proj. CC1103
FISCAL YR 2011/2012	Approved Budget: \$115,000.00 Expended & Encumbered: \$0.00 Tank Farm - Budget Transfer: <u>(\$40,000.00)</u> < (this action) Balance: \$75,000.00	FISCAL YR 2011/2012

**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

**COUNCIL ACTION:**

Approved    Denied    Tabled/Deferred    Assigned to \_\_\_\_\_