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Department of Utilities
Wastewater Treatment Plant
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TO: Chairperson Greg Dannecker and Members of the Utilities Committee

FROM: Utilities Deputy Director Chris Stempa

CC: Utilities Director Chris Shaw, Wastewater Plant Operations Supervisor Robert Kennedy, Enterprise Fund Accounting Manager Kelli Rindt

DATE: June 30, 2015

RE: *Approval of a Sole Source Coating Services contract for the Appleton Wastewater Treatment Plant Tank Coating Project to Omni Glass and Paint, Inc in the amount of \$56,186 plus a 7.5% contingency of \$4,214 for a total not to exceed cost of \$60,400*

BACKGROUND:

In 2014, the Appleton Wastewater Treatment Plant (AWWTP) had received approval to award contracts for engineering and contractor coating services for exterior tank covers and interior receiving station tank. The 2014 coating conditions and structural integrity assessment (external and interstitial) performed by McMahon established a rehabilitation and coating priority among the four tanks. Following the tank conditions assessment, it was determined to move forward with rehabilitation and coating work which targeted the tanks with severe coating system delamination and corrosion (e.g. western secondary digester and receiving station tank).

Alternate quotes were required as part of last year's coating services quotation process for the remaining two exterior tanks (sludge storage tank and filtrate storage tank). These tanks are equipped with same fixed Envirex Duo-Deck® cover as the western secondary digester that was rehabilitated during the fall of 2014. The required alternate quotes were utilized to take advantage of work combinations and economy of scale that provide cost competitive opportunities while advancing priority service work within a defined budget. Because of the severity of corrosion discovered on the exterior cover of the western secondary digester, the cost to rehabilitate absorbed a greater percentage of the available coating budget than originally anticipated. Therefore, the alternate quotes were utilized to formulate the 2015 O&M budgetary number to complete the remaining tank coating work.

SOLE SOURCE JUSTIFICATION:

Omni Glass and Paint, Inc. (Omni) has agreed to honor its agreement from the September 2014 quotation process. Omni has demonstrated quality workmanship and professionalism as part of the services provided in 2014. That includes a solid history of service performance on both sides of the Utility. Based on the 2014 quotation results, it is not expected to be advantageous from either a cost or schedule standpoint to seek new quotes. Conducting a request for quotation (RFQ) would involve a contracted engineer reformulating the project specifications, conducting a public advertisement, organize and facilitate pre-quotation meeting(s) not exclusive of the administrative steps necessary for subsequent contract award. The additional costs incurred from this process (McMahon estimates \$4,000) coupled with the delay in work start caused by the aforementioned RFQ process within an already limited exterior coating season is not likely to outweigh the benefits of moving forward with sole source contract with Omni.

The Appleton Finance Department Purchasing Manager, Jeff Fait, was asked to review the 2014 quotation and this recommendation for sole source. Mr. Fait stated "...in looking at the overall situation and the operational and financial interests of the City, I feel this is an exceptionally advantageous opportunity, as mentioned in the procurement policy under sole source parameters." Therefore, based on the collective review of pros and cons the AWTF recommends sole source approval to Omni Glass and Paint and the 2014 alternate quotation results provided below.

COATING CONTRACTOR	ALTERNATE QUOTE
Omni Glass and Paint, Inc.	\$56,186
Wisconsin Industrial Coatings, Inc.	\$85,000
Mill Coatings	DNP
TMI Coatings	DNP

RECOMMENDATION:

It is recommended that the Utilities Committee award sole source contract to Omni Glass and Paint, Inc. in an amount of \$56,186 plus a 7.5% contingency of \$4,214 for a total not to exceed cost of \$60,400.

If you have any questions, regarding the project please contact Chris Stempa at 832-2353.