

## **POSSIBLE MOTION**

**I move to** Award a contract for the Jarvis Bulk Fuel Tank API 653 Cleaning and Inspection to Enterprise Engineering, Inc. in the amount of \$79,800.



## Memorandum

April 20, 2015

To: Mark Gorman, Municipal Administrator  
From: Christopher Brewton, Utility Director  
Subject: **Award of Contract – Jarvis Bulk Fuel Tank API 653 Inspection**

### **Request:**

I request Assembly approval authorizing the Municipal Administrator to issue Enterprise Engineering, Inc. a Purchase Order in the amount of \$66,500 for the Cleaning and Inspection of the Jarvis Street Bulk Tank. Authorization of an additional 20% of the contract value (\$13,300) is recommended for contingency. The total cost of award, including contingency, is \$79,800. Please note that the inspection may reveal issues that prevent the bulk tank from being returned to service and require immediate attention. The inspection contract scope does not include tank repairs or replacement, as it is impossible to accurately develop a work scope prior to the inspection. Additional funding may be needed for required repairs.

### **Background:**

On March 24<sup>th</sup>, the Assembly awarded the Jarvis Bulk Fuel Tank API 653 Inspection to Taku Engineering, LLC in the amount of \$60,668, including contingency. The Electric Department has been coordinating the inspection and associated work with Taku Engineering and Schmolck Mechanical. Schmolck will be installing some fuel system improvements while the tank is out of service for the inspection.

Last week, Taku Engineering informed the Electric Department that the cost of the tank inspection must either increase by \$24,000, due to a change in subcontractor, or must be delayed until sometime in August or September. This change in subcontractor would either lead to a total cost of \$84,668, including the initial contingency approved, or a substantial delay in the tank inspection schedule. Further delay of the tank inspection is inadvisable as the inspection is overdue and both the inspection and any necessary repairs should be completed this summer when the risk of a significant transmission line outage is low.

### **Analysis:**

During the initial comparison of tank inspection cost estimates, Enterprise Engineering was more expensive than Taku Engineering. Given the change order requested by Taku Engineering, Enterprise Engineering is now less expensive. Enterprise Engineering also has availability in the May or June timeframe and good references from EPS, an engineering firm that the Electric Department has a long-standing positive working relationship with.

### **Fiscal Note:**

Funding for the work will come from CIP No. 90646 – Jarvis Street Diesel Capacity Increase<sup>1</sup>.

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<sup>1</sup> CIP No. 90647 - Jarvis Tank Inspection was closed and funds transferred to CIP No. 90646 by Assembly action on April 8, 2014.