Legistar # 220036
DISTRICT 3

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda
Bids and Proposals

TO : President and Village Board of Trustees

FROM : Scott Neihaus, Village Manager

DATE : January 18, 2022 Agenda Date February 3, 2022

TITLE : Highland Elevated Tank Perpetual Warranty & Maintenance Agreement

SUBMITTED BY: Brian Jack, Utilities Superintendent

RESULTS:
Date Bids Were Published _____ Bidding Closed _____
Total Number of Bids Received _____
Total Number of Bidders Meeting Specifications _____
Bid Security Required _____Yes _____No
Performance Bond Required _____Yes _____No
Were Any Bids Withdrawn _____Yes _____No
Explanation:
Waiver of Bids Requested? ____X____Yes _____No
If yes, explain: Purchase is directly from manufacturer.
Award Recommended to Lowest ____X____Yes _____No
Responsible Bidder?
If no, explain:

FISCAL IMPACT:
Engineer's estimate/budget estimate $34,984.00 Amount of Award $34,984.00
Water & Sewer Capital Reserve Fund: 520.790.715.75420 Proj: WA 20 01 Construction

BACKGROUND/RECOMMENDATION:
Per the Board approved contract established on September 5, 2019, this agenda item will approve payment for year 3 of the perputual warranty and maintenance agreement established for the Highland Elevated Tank located at 2020 S Highland Avenue.

Has Recommended Bidder Worked for Village Previously __X__Yes ___No
If yes, was quality of work acceptable __X__Yes ___No

REVIEW (as needed):
Village Attorney XX_____ Date _____
Finance Director XX_____ Date _____
Village Manager XX_____ Date _____

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 4:30 pm, Wednesday, prior to the Board Agenda distribution.

Legistar # 220036

MEMORANDUM

To: Scott Niehaus, Village Manager

From: Brian Jack, Utilities Superintendent

Through: Carl Goldsmith, Director of Public Works

Date: January 18, 2022

Subject: **Utility Service Company, Inc**
Highland Elevated Tank Rehabilitation Project
Approval of Year 3 Contract Amount – WA 20 01

Executive Summary

The Highland Elevated Water Tank located at 2020 South Highland Avenue was recently painted in the spring of 2020 with both the exterior and interior of the tank renovated under a BOT approved 9/5/2019 Leg#190367, FY2020 long term, full service maintenance contract. The tank was originally built in 1967 and has been very well maintained throughout its years in service. The tank holds one million gallons (MG) of water and is the main source of water for both fire suppression and consumption on the south side of Lombard. Typically, steel water tanks are painted every 12-15 years in accordance with American Water Works Association (AWWA) standards and are budgeted for in the Capital Improvement Plan.

Discussion

This year the Board of Trustees is being presented with an update on project status and the agreement. The tank rehabilitation project was completed on time and within budget. No issues were encountered during the project. Public Works is seeking approval for the third year of the contract per the original agreement signed in 2019. These payments are subject to available funding and may be terminated at any time by the Village. The pricing matrix was developed using a 15-year payment schedule. This model flattens budgetary expenditures over the next 15 years, shifts maintenance accountability to the contractor, and provides a perpetual warranty on the water tank. Any repairs or touch up painting needed would be handled by the contractor without a change order.

Recommendations:

Staff requests that the Board of Trustees approve the third-year contract amount of $34,984.00 for the Highland Elevated Rehabilitation Project - WA 20 01 as submitted by Utility Service Company, Inc of Atlanta, GA and authorize a purchase order in an amount not to exceed $34,984.00 at the February 3, 2022 BoT meeting.

SCOPE OF WORK NO. 1

TO THE MASTER SERVICES AGREEMENT BETWEEN

UTILITY SERVICE CO., INC.

AND

VILLAGE OF LOMBARD, IL

WATER TANK MAINTENANCE – 1,000,000 GALLON PEDISPHERE – HIGHLAND AVE TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 1 ("SOW1") shall be Sept. 5, 20 19

2. **Term.** The Owner agrees to engage the Company to provide the professional service needed to maintain its 1,000,000 gallon water storage tank located at 2020 South Highland, Lombard, Illinois 60148 (hereinafter "tank"). This SOW1 shall commence on the Effective Date and shall continue in full force and effect for one year ("Contract Year 1"). This SOW1 will automatically renew for successive one-year terms ("Contract Years") unless terminated as set forth in Section 9 of the Master Services Agreement.

3. **Company's Responsibilities.** This SOW1 outlines the Company's responsibility for the care and maintenance of the above described water storage tank. Care and maintenance include the following:

   A. The Company will annually inspect and service the tank. The tank and tower will be thoroughly inspected to ensure that the structure is in a sound, watertight condition.
   B. Biennially, beginning with the first washout/inspection, the tank will be completely drained and cleaned to remove all mud, silt, and other accumulations that might be harmful to the tank or its contents. After cleaning is completed, the interior will be thoroughly inspected and disinfected prior to returning the tank to service; however, the Owner is responsible for draining and filling the tank and conducting any required testing of the water. A written report will be mailed to the Owner after each inspection.
   C. The Company shall furnish engineering and inspection services needed to maintain and repair the tank and tower during the term of this SOW1. The repairs include: steel parts, expansion joints, water level indicators, sway rod adjustments, and manhole covers/gaskets.
   D. The Company will clean and repaint the interior and/or exterior of the tank at such time as complete repainting is needed. The need for interior painting is to be determined by the thickness of the existing liner and its protective condition. When interior repainting is needed, procedures as outlined in A.W.W.A.-D102 specifications for cleaning and coating of potable water tanks will be followed. Only material approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting is to be determined by the appearance and protective condition of the existing paint. At the time the exterior requires repainting,

the Company agrees to paint the tank with the same color paint and to select a coating system which best suits the site conditions, environment, and general location of the tank. When painting is needed, all products and procedures will be equal to, or exceed the requirements of the **State of Illinois**, the American Water Works Association, and the Society for Protective Coatings as to surface preparation and coating materials.

E. A lock will be installed on the roof hatch of the tank.

F. The Company will provide emergency services, when needed, to perform all repairs covered under this SOW1. Reasonable travel time must be allowed for the repair unit to reach the tank site.

G. The Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the tank is being serviced.

H. The Company will furnish current certificates of insurance coverage to the Owner.

I. **Mixing System Installation and Service.**

1. The Company shall install an active mixing system in the Tank.
2. The particular unit that will be installed in the Tank is a NSF Approved PAX 400 active mixing system along with its component parts.
3. The Company will inspect and service the active mixing system when the tank is drained for washout inspections. The active mixing system will be thoroughly inspected to ensure that the active mixing system is good working condition. The Company shall furnish engineering and inspection services needed to maintain and repair the active mixing system during the term of this Contract.
4. The Owner shall be responsible for draining the tank if determined necessary by the Company due to operational problems with the mixing system. The provisions of Section 1.B shall be followed in this circumstance.

J. In the event that the Owner will not release the tank for service or is the cause of unreasonable delay in the performance of any service herein, the Company reserves the right to renegotiate the annual fees, and the Owner agrees to renegotiate the annual fees in good faith. In addition, the Owner hereby agrees that the Company can replace a washout inspection with a visual inspection, ROV inspection, or UAV inspection without requiring modification of this Contract.

4. **Contract Price/Annual Fees.** The tank shall receive an **exterior renovation, interior wet-renovation, interior-dry renovation, mixing system installation and repairs** prior to the end of Contract **Year 1.** The first **(1)** annual fee shall be **$530,395.00**. The annual fee for Contract **Year (2)** shall be **$33,788.00**; however, in Contract **Year (3)** and each anniversary thereafter, the annual fee shall be adjusted to reflect the current cost of service. The adjustment of the annual fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW1.

5. **Payment Terms.** The annual fee for Contract **Year 1,** plus all applicable taxes, shall be due and payable **upon completion of the exterior renovation, interior wet renovation, interior dry renovation, mixing system installation and repairs.** See **Attached Schedule A for Specifications of the work to be performed; said Schedule A is incorporated herein by reference. Also, please see Schedule B, which is attached hereto and incorporated herein by reference and sets forth the annual fees for Contract Years 1 through 15 as well as the Schedule of Work. Each subsequent annual fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year, thereafter.** Furthermore, if the Owner elects to terminate this SOW1 prior to remitting the first **(1)** annual fee, then unpaid balance of the first **(1)** annual fee shall be due and payable within thirty (30) days of the Company's receipt of the Owner's Notice to Terminate.

6. **Structure of Tank.** The Company is accepting this tank under program based upon its existing structure and components. ***Any modifications to the tank, including antenna installations, shall be approved by Utility Service Co., Inc., prior to installation and may warrant an increase in the annual fee.***

7 **Environmental, Health, Safety, or Labor Requirements.** The Owner hereby agrees that future mandated environmental, health, safety, or labor requirements as well as changes in site conditions at the tank site which cause an increase in the cost of tank maintenance will be just cause for modification of this SOW1. Said modification of this SOW1 will reasonably reflect the increased cost of the service with a newly negotiated annual fee.

Owner shall be responsible for having all antenna and coax removed from the tank prior to the renovations.

The work performed under this Contract is subject to prevailing wages, and the workers who are performing work under this Contract are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this Contract will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this Contract to the date in which any future work is to be performed under this Contract, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

8. **Excluded Items.** This SOW1 does NOT include the cost for and/or liability on the part of the Company for: (1) containment of the tank at any time during the term of the SOW1; (2) disposal of any hazardous waste materials; (3) resolution of operational problems or structural damage due to cold weather; (4) repair of structural damage due to antenna installations or other attachments for which the tank was not originally designed; (5) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (6) negligent acts of Owner's employees, agents or contractors; (7) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (8) repairs to the foundation of the tank; (9) any latent defects of the tank or its components (i.e., corrosion from the underside of the floor plates or corrosion in areas not accessible to maintain); or (10) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of terrorism include, but are not limited to, any damage to the tank or tank site which results from unauthorized entry of any kind to the tank site or tank.

9. **Visual Inspection Disclaimer.** This SOW1 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the tank has been drained for repairs, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company renegotiate the annual fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion in areas not accessible to maintain, damage to the roof of the tank which is not clearly visible during the visual inspection, etc.).

SIGNATURE PAGE TO FOLLOW

The SOW1 is executed and effective as of the date last signed by the parties below.

OWNER	COMPANY
Village of Lombard	Utility Service Co., Inc.
By:	By:
Name: Keith Giagnorio	Name: Jonathan Cato
Title: Village of President	Title: Senior VP Advanced Solutions LOB
Date: September 5, 2019	Date: August 1, 2019

SCHEDULE A

VILLAGE OF LOMBARD
SCHEDULE OF WORK TO BE ACCOMPLISHED UNDER THE "FULL SERVICE MAINTENANCE PROGRAM"

YEAR 1 (2020)
Exterior Coatings
1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating shall be applied to complete exterior surfaces at manufacturer's recommended thickness (100%).
5. One (1) full finish coat of a Tnemec Series 700 Hydroflon coating shall be applied to complete exterior surfaces at manufacturer's recommended thickness (100%).
6. Use same logo/layout and color scheme
7. Paint all concrete foundations

Interior-Wet Specifications
1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:
• *Primer Coat:* One [1] complete coat of Tnemec Series Zinc 94 H2O or equivalent shall be applied at the manufacturer's recommended thickness.
• *Finish Coat:* One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied at the manufacturer's recommended thickness.
a. *Contrasting Color:* Each coat of epoxy paint shall be of contrasting color.
b. *Stripe Coat:* One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

Interior -Dry Specifications
1. The complete dry interior (100%) shall be "brush off" blast cleaned to SSPC-SP No. 7 finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:

One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied at the manufacturer's recommended thickness.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

Repairs: All repairs outlined in the Dixon report from 2014 and the following:

- Install PWM400 Mixing System with controller, conduit, and wire to roof.
- Note: Electrical permit, conduit/wiring from controller into existing panel by Village.
- Install new 30" roof-hatch to wet storage (in location closer to riser tube).
- Install new fixed ladder below new wet hatch on wet side of riser to floor of vessel.
- Install new mud valve.
- Install safety tie off rail from hatches to center vent
- Install braided cable safety climb on all ladders.
- Note: Village responsible for purchase of new safety climb harness (liability issues).
- Install "rail style" tie-off points from center hatch to perimeter appurtanences
- Install new hinged lids for deck penetrations at both cond decks (2-lids total).
- Coat the exposed foundation top.
- Replace the glandular expansion joint & replace with bellows-type joint.
- Install a deflector plate in the OF inlet
- Vault Piping: Abrasive blast clean (SP6) and apply 2-coat epoxy .
- Note: This is 1 time only service (vault pipe is not covered on MP)

YEAR 2 (2021)
Inspection Service
1. Engineering inspection and preventive maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 3 (2022)
Inspection Service
1. Washout, disinfect, and inspect the tank.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 4 (2023)
Inspection Service
1. Engineering inspection and preventive maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure tank complies with all federal and state regulations.

5. Maintain as per the maintenance program.

YEAR 5 (2024)
Inspection Service
1. Washout, disinfect, and inspect the tank.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 6 (2025)
Inspection Service
1. Engineering inspection and preventive maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure tank complies with all federal and state regulations.

5. Maintain as per the maintenance program.

YEAR 7 (2026)
Inspection Service
1. Washout, disinfect, and inspect the tank.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 8 (2027)
Inspection Service
1. Engineering inspection and preventive maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure tank complies with all federal and state regulations.

5. Maintain as per the maintenance program.

YEAR 9 (2028)
Inspection Service
1. Washout, disinfect, and inspect the tank.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 10 (2029)
Inspection Service
1. Engineering inspection and preventive maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 11 (2030)
Inspection Service
1. Washout, disinfect, and inspect the tank.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 12 (2031)
Inspection Service
1. Engineering inspection and preventative maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 13 (2032)
Inspection Service
1. Washout, disinfect, and inspect the tank.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 14 (2033)
Inspection Service
1. Engineering inspection and preventative maintenance.

2. Any needed repairs/touchup.

3. Provide emergency repair service.

4. Ensure Tank complies with all federal and state regulations.

5. Maintain as per the maintenance program

YEAR 15 (2034) Full Coatings Renovations

Exterior Coatings

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full finish coat of a Tnemec Series 700 Hydroflon coating shall be applied to complete exterior surfaces at manufacturer's recommended thickness (100%).
6. Use same logo/layout and color scheme
7. Paint all concrete foundations

Interior-Wet Specifications

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy liner manufactured by the Tnemec Company shall be applied as follows:

• *Primer Coat:* One [1] complete coat of Tnemec Series Zinc 94 H2O or equivalent shall be applied at the manufacturer's recommended thickness.

• *Finish Coat:* One [1] complete finish coat of Tnemec Series N140 Epoxy or equivalent shall be applied at the manufacturer's recommended thickness.

a. *Contrasting Color:* Each coat of epoxy paint shall be of contrasting color.

b. *Stripe Coat:* One additional coat of epoxy shall be applied by brush and roller to all weld seams.

4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the tests results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

Interior -Dry Specifications

1. Perform Interior dry coatings touch up as needed.

"SCHEDULE B"

Year	1	2	3	4	5
Highland Ave Tank	$530,395	$33,788	$34,984	$36,222	$37,504

Year	6	7	8	9	10
Highland Ave Tank	$38,832	$40,207	$41,630	$43,104	$44,629

Year	11	12	13	14	15
Highland Ave Tank	$46,209	$47,845	$49,538	$51,292	$53,108