CITY OF TONKA BAY
ITEM NO. 9A

Memo

To: Honorable Mayor and City Council

From: Robin Bowman, Public Works Superintendent

Date: August 14, 2014

Re: Lime Silo Upgrade

In 2014, the City budgeted $56,250 for upgrading the lime silo. I have contacted three vendors for quotes.

Vendor	Cost
Badger State Inspection	$48,500.00
KLM Engineering, Inc	$30,030.00
Central Tank Coatings, Inc	no response as of 7-24-14

Council Action Requested:
Approve the quote from KLM Engineering, Inc. in the amount of $30,030.00 based on the above comments on safety as it relates to working on the equipment when it needs to be serviced.

Source of Funds

Funding for this project will come from the Water CIP upgrade lime silo 2014 Budget of $56,250. We should have an overall savings of $26,220. This is a turn-key approach" project which means KLM Engineering will hire & oversee the contractor. I asked WSB if they would give a quote and they said they would use KLM as a subcontractor.

BADGER STATE INSPECTION, LLC
Water Tower Specialist / Antenna, Evaluations, Inspection
P.O. Box 157 Osseo, WI 54758
715-533-8686

April 28, 2014

Mr. Robin Bowman
Superintendent of Public Works
City of Tonka Bay
4901 Manitou Road
Tonka Bay, MN 55331

RE: Proposal to Provide a Turn Key Approach (Engineering, Inspection and Reconditioning) for the Exterior Reconditioning of the 9' X 35' Lime Silo for the City of Tonka Bay, Minnesota.

Dear Mr. Bowman:

We enjoyed meeting with you and learning more about the City's upcoming lime silo reconditioning project. Attached is our proposal to provide both the engineering and inspection services along with the reconditioning for this project. The scope of services presented is based on our recent discussions with you and our prior experience.

We look forward to the opportunity to work with you. Thank you for inviting us to illustrate our capabilities. We will strive to provide a high-quality project for the City that is completed on time and within budget. Please contact me if you have any questions regarding our proposal or require further information. You can reach me at (715) 533-8686.

Sincerely,

Badger State Inspection, LLC

Kelly C. Mulhern
Owner

PROJECT UNDERSTANDING

It is our understanding the City of Tonka Bay seeks a contractor that can perform both the rehabilitation and exterior blasting and recoating of the 9' X 38' Lime Silo tower along with the inspection of the reconditioning process. The reservoir is located behind the City Hall at 4901 Manitou Road.

The City of Tonka Bay has requested the following of the consultant:

- Provide a specification for repainting the exterior of the lime silo tank. The specification shall include surface preparation standards and a three coat epoxy urethane coating system
- Provide a suitable subcontractor who has performed numerous projects of this size and type on previous projects. One who has manpower and equipment to get the projects completed on time and with quality that both the city and BSI are expecting.
- Provide inspection services during the repainting of the lime silo. Provide documentation that the work is being performed according to the manufactures recommendations or better. BSI proposes to provide a bare minimum specification as there appears to not be any major issues with this project.
- Perform construction services for the work, including full time inspection (40 hours per week) and contract/project management (8 hours per week) for the 2 week project.
- Provide documentation weekly during the reconditioning project including daily reports, weather logs, and construction photos. Photographic evidence shall validate all inspections and testing performed.
- Provide a two year warranty inspection (2016) (If required, the cost has not been added to this proposal)

PROJECT APPROACH

Utilizing our site discussion and site visit, BSI will prepare a contract document package specifically designed for this project. Today's protective coating systems (zinc, epoxy, polyurethane) are designed to last 15-20 years with only minor maintenance. BSI believes that with a properly prepared project specification and the use of full-time inspection, the exterior coating will likely exceed 25 years of service life. The City can expect the project team to specify the use of the best products available in the marketplace.

BSI will provide AWS Certified Welding inspection (as necessary) while the structural repairs are completed and NACE affiliated coating inspectors working directly under a NACE Certificated Coating Inspector during coating reconditioning to make certain that the work performed by the contractor is in conformance with the specifications. The full time inspection during reconditioning along with a two year warranty will maximize coating life expectancy. BSI's staff will monitor workmanship during all phases of work and inspect the contractor's work. With BSI's process, maintenance costs will be reduced by reducing the number of reconditioning cycles over the life of the tank

In summary, the approach outlined above will provide additional value to the City as follows:

- A project team led by Kelly Mulhern will be well respected in the water storage industry. His involvement with the project includes his intimate knowledge of industry contractors, personnel, and practices.
- A project that is completed with leadership striving for work to be delivered on time, within budget, and with quality workmanship.

- Utilizing a painting subcontractor who has at least 5 years' experience in working on water towers or projects of this size or larger.
- Provide a specification that requires a specific exterior surface preparation standard that meets or exceeds the paint manufactures recommendations.
- Specification and the warrantied installation of a three layer exterior coating that includes a finish coat of a Polyurethane product such as TNEMEC's Endura-Shield Series 1075.
- A resulting tower coating that will have the opportunity to realize its intended service life and reduce maintenance costs.
- A project that meets the City's needs and is in agreement with the City procedures.

PROPOSED FEE

We propose to complete the scope of services described in this proposal for the following fee:

1. Lime Silo Tower exterior reconditioning and inspection fee $48,500.00

Total not to exceed cost without written authorization from the City of Tonka Bay..... $48,500.00

2. Bid Alternate (Safety Climb System) ...Includes two harnesses, two lanyards, 2 bottom Brackets, two top brackets, two cable sleeves, 4 cable guides and two cables..... $3,050.00
3. Bid Alternate (Medium Fiberglass Door and Door Frame and Deadbolt) $4,850.00

(Add an additional $300.00 to upgrade to a heavy duty fiberglass door)

PROJECT SCHEDULE

The schedule for the work may begin in July but it may start as late as September. This will depend on the subcontractors and BSI's availability. The Project will be 100% completed by October 15, 2014.

PROJECT TEAM & QUALIFICATIONS

The BSI team has been assembled taking into consideration all of the technical requirements of this project. Special consideration was given to the selection of team members that have the required technical expertise and experience needed.

If engineering is required, BSI will be using WSB & Associates (WSB) for structural engineering services. Kelly Mulhern has worked with WSB on tower related projects for over 9 years. Types of projects include new tower construction, tower reconditioning and the addition and modification of antennas.

BSI Team:

Project Manager - Kelly Mulhern

Field Inspector – Kelly Mulhern, Adam Ranum

Specifications – Kelly Mulhern

REFERENCES

A list of water reconditioning projects completed by Kelly Mulhern is attached. Those completed while teaming with WSB have been identified. BSI would encourage the City of Tonka Bay to call any or all of the references provided.

Services performed by BSI for this project will be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in this area under similar budget and time restraints.

Attachments:

- *BSI Company Overview*
- *Resumes*
- *Water Tower Experience & References*
- *BSI Fee Schedule*
- *Insurance Certificate*

KLM ENGINEERING, INC.
P.O. Box 897 • 3394 Lake Elmo Ave. N. • Lake Elmo, MN 55042
(651) 773-5111 • Fax (651) 773-5222

June 9, 2014

By Email Only

Mr. Robin Bowman
Public Works Superintendent
City of Tonka Bay
4901 Manitou Road
Tonka Bay, Minnesota 55331

RE: Proposal to Provide Engineering Services and General Construction Management during the Reconditioning of the Lime Silo for the City of Tonka Bay, Minnesota.

Dear Mr. Bowman:

Thank you for the opportunity to submit this proposal for engineering and construction services which include preparation of specifications, selection and retention of contractor, and inspection services during the structural repairs, surface preparation, and coatings application for the interior and exterior on the above referenced tank.

Potential Benefits to the City of Tonka Bay

- We propose to prepare a specification package specifically designed for water storage tank reconditioning. Our experience has shown that the more comprehensive the specification is, the more likely it is that the project is completed on time, on budget, and with quality workmanship. The KLM specifications will eliminate requests for change orders during reconditioning.

- Part-time inspection by KLM Certified Welding Inspectors during structural repairs and NACE Coating Inspectors during coating reconditioning ensures that the work performed by the contractor is in conformance with the specifications, so that it can maximize its life expectancy. KLM's inspectors monitor workmanship during all phases of work and approve the contractor's work. Utilizing this process, maintenance costs will be reduced by decreasing the number of reconditioning cycles over the life of the tank.

- Our project administration and inspection services provide a buffer between the project specifications and the real world challenges that can negatively impact project performance. To initiate the project correctly, KLM project management ensures that a qualified contractor is retained at an appropriate cost.

- Prior to and during the project, we will work with you to tailor a customized approach to project management that fits your requirements. For some clients, a "turnkey" approach is appropriate and we provide complete project management from start to finish. Other clients prefer to perform one or more of the project administration duties as this fits their system. We can derive a balanced approach to project management that suits you.

Proposal Cost Summary

KLM Services will manage the lime silo rehabilitation with comprehensive specifications, project management and inspection on the project for a fee of **$30,030.00.** Cost includes mobilization, and containment. KLM will perform a two-year warranty inspection for an additional fee of $1,800.00.

Construction Services

Construction Administration

The project manager and project supervisor work together on managing the project. The project supervisor does the review of the submittals from the contractor. The supervisor communicates with the inspector on a daily basis. The supervisor will enforce the project specifications as necessary. The supervisor is the main contact between the contractor representative and the Owner. The manager does the final review of the submittals.

Construction Observation

The inspector assigned to this project will be a NACE Trained Coating Inspector and/or AWS Certified Welding Inspector. All of our inspectors have extensive practical experience and knowledge of water storage tank reconditioning. They are experienced sandblasters, painters, climbers, riggers, coating inspectors, welders and welding inspectors which allow the inspector to perform inspections alongside the contractor to ensure conformance to the project specification.

Owner's Responsibilities

The Owner will be responsible for:

- Cleaning up building site and seal off building to keep dust out.
- Supplying a water source for the crew.
- Providing a privy.
- Remove gas tanks and other non-essential equipment from under the tank and perimeter.

Warranty Inspection

We propose to perform a Warranty Inspection on the referenced tank prior to the expiration of the performance bonded two- (2) year warranty for a Fixed Fee of $1,800.00. This fee includes two (2) copies of the warranty inspection report for the Owner.

Prior to the expiration of the warranty period, KLM will request verification to proceed with the warranty inspection under the terms of this contract.

This phase of the project will be billed upon submittal of the Warranty Inspection Report.

This fee does not include any necessary inspection(s) should warranty repair work be required.

Terms and Conditions

KLM has attached our standard Terms and Conditions. The attached Terms and Conditions are part of this agreement between the City of Tonka Bay and KLM Engineering, Inc. unless otherwise agreed to in writing by both parties.

Time Frame

This proposal is valid for sixty (60) days from this date of June 9, 2014. If the City of Tonka Bay finds this proposal acceptable, please sign and return. We can begin work immediately once a contract has been executed. Preliminary specification should be ready for submittal to the Owner in two (2) to three (3) weeks after the receipt of a signed contract.

This agreement, between the City of Tonka Bay and KLM Engineering, Inc. of Lake Elmo, Minnesota is accepted by:

_____	_____	City of Tonka Bay, Minnesota
(Name)	(Title)	

_____
(Date)

Shawn A. Mulh	Marketing Manager	KLM Engineering, Inc. Lake Elmo, Minnesota
(Name)	(Title)	

June 9, 2014
(Date)

We look forward to working with you.

KLM Engineering, Inc.

Samba (Shared) 2014 Proposals City of Tonka Bay, MN – Lime Silo