

# T Transportation Committee

For Metropolitan Council meeting of August 12, 2009

## ADVISORY INFORMATION

**Date**

**Prepared:** August 11, 2009

**Subject:** Construction of Storage Tank Additions at Overhaul Base and South Garages, Project 62710

### **Proposed Action:**

Authorize the Regional Administrator to award and execute a contract with the lowest responsive and responsible bidder, Morcon Construction, for the construction of Storage Tank Additions at the Overhaul Base in St. Paul and the South Garage in Richfield at a cost of \$1,296,070.50.

### **Summary of Committee Discussion / Questions:**

Council Member Haas Steffen inquired as to the funds within project 62710. Project funding consists of 80% federal and 20% local RTC. Current funds total approximately \$5.3 million. With the award of this contract, available funds remaining total about \$4 million. This amount appears to be sufficient to complete the tankage replacement program as planned next year.

Council Member Bowles asked about tank materials from both the tanks being removed and the new tanks being provided. Existing underground tanks are made of single wall steel and have been cathodically protected to minimize corrosion. However, they have surpassed their normal life expectancy. The new above-ground replacement tanks will be double wall, lined to minimize fuel contamination and will also consist of steel construction. Above-ground placement will avoid corrosion typically encountered with underground locations. This program will essentially eliminate the potential of undetected leaks and environmental degradation.

Council Member Leppik inquired about the estimate and why it was so much higher than the low bids. Upon review and the closeness of competitive bids, the estimate was obviously overstated. Although the estimate is not intended to predict the low bid, the estimate misjudged costs for removing old tanks and the cost of the building additions for placement of the new tanks.

The proposed action was moved, seconded and approved unanimously.

# T Transportation Committee

Meeting date: August 10, 2009

For Metropolitan Council Meeting: August 12, 2009

## ADVISORY INFORMATION

<b>Date:</b>	August 3, 2009
<b>Subject:</b>	Construction of Storage Tank Additions at Overhaul Base and South Garages, Project 62710
<b>District(s), Member(s)</b>	District 5, Polly Bowles, 952-922-8426 District 14, Kirstin Sersland Beach, 651-224-8334
<b>Policy/Legal Reference:</b>	MN Statues 473.405 subd.4
<b>Staff Prepared/Presented:</b>	Brian J. Lamb, General Manager, Metro Transit 612-349-7510 Tom Thorstenson, Director Eng & Facilities 612-349-7689 Pat Jones, Assistant Director Facilities & Engineering 612-349-7606 Joe Edwards, Project Lead Manager 612-349-7676 Mac Sweidan, Project Manager 612-349-7761
<b>Division/Department:</b>	Metro Transit/Engineering & Facilities

### Proposed Action

Authorize the Regional Administrator to award and execute a contract with the lowest responsive and responsible bidder, Morcon Construction, for the construction of Storage Tank Additions at the Overhaul Base in St. Paul and the South Garage in Richfield at a cost of \$1,296,070.50.

### Background

This construction project replaces underground storage tanks with above ground storage at two Metro Transit facilities. The tanks store diesel fuel, motor oil, antifreeze fluid and transmission fluid and are included in our multi year plan to replace deteriorating underground storage. The tanks in these facilities are deteriorating and prone to leakage. We have advised the Minnesota Pollution Control Agency (MPCA) of our intent to replace these tanks and other similar facilities to minimize potentially adverse impacts to the environment.

On July 1, 2009, thirteen bids were received and opened publicly. The bids ranged from \$1,285,204 to \$1,635,030. The engineer's estimate for this work was \$2,408,000. A 15% DBE goal was assigned to this project. The Office of Diversity and Equal Opportunity (ODEO) rejected the lowest bid due to a failure to meet the DBE goal and provide evidence of good faith efforts in an attempt to meet the goal. The second low bidder, Morcon Construction, submitted a bid of \$1,296,070.50, and committed 6% of the work to be directed to DBE companies.

**Rationale**

Authorization to award and execute a contract for the construction of these tanks improves the Council's ability to minimize potential environmental impacts. The execution of a construction contract in excess of \$1,000,000 requires Council approval.

**Funding**

Sufficient funding from federal and local sources is available in Project 62710 to award the construction contract as well as provide 5% contingency in the event of changes required during construction.

**Known Support / Opposition**

There is no known opposition to the project.