



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 5/12/2020

File #: 20-267, Version: 1

SUBJECT: CONSENT AGENDA

A Resolution of the Board of Trustees of the Town of Erie Approving Change Orders No. 1 and 2 to the Agreement with Spiegel Industrial LLC for the 4MG Concrete Tank Lining Removal

DEPARTMENT: Public Works

PRESENTER: Todd Fessenden, Public Works Director

FISCAL SUMMARY:

Cost as Recommended: \$81,210.29
Balance Available: \$357,000
Budget Line Item Number: 500-70-110-605000-100343
New Appropriation Required: No

STAFF RECOMMENDATION:

Approve the resolution to execute said change orders, authorize the appropriate Town officer to execute said change orders, and authorize staff to expend budgeted funds.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Town's largest drinking water storage tank, a 4 million gallon concrete tank was constructed in 2015 and a protective coating (liner) was installed to protect the concrete from corrosion (aka concrete degradation). Upon final warranty inspection in 2017 it was discovered that the liner had begun to fail and separate from the tank wall. This situation was monitored in the interim while staff considered engineering investigations and negotiations with the general contractor. The Town received \$500,000 towards the ultimate replacement of this liner in 2019. The tank, being the main supply for fire flow and peak demand storage, has remained in service during this time. It has been regularly inspected and taken offline (drained) multiple times.

The liner began to significantly deteriorate, to the point where large cracks and blisters in the liner surfaced. In order to protect water quality and avoid service issues due to large sections delaminating, all of the areas of the liner that are not strongly adhered to the tank must be removed. We obtained competitive bids and hired Spiegel Industrial LLC to remove the coating from the walls and floor of the tank in March, based on Board approval of a \$123,000 contract for this work.

Upon beginning this work, Spiegel found a significant portion of the coating on the support columns was also in a state of imminent failure, and recommended removing the coating from those areas as well. Time is of the essence, and we need to keep this integral part of the Town's drinking water system to be functional, and most importantly to maintain public health and safety. Consequently, staff directed Spiegel to remove this additional material from the columns in order to be able to safely place the tank back in service in time for the summer irrigation season. Removing the column coating was initially intended to be performed in the fall, as an effort to expedite placing the tank in service, so this work would have been incurred regardless. As such, this is more

of an issue of timing than ultimate cost.

Fiscal Impact:

The Town has a balance of \$357,000 available for the replacement of the liner for this tank. The change orders for bonds in the amount of \$4,243.50 (Change Order 1) and \$76,966.79 (Change Order 2) for additional work for liner removal leaves \$275,789.71 for the fall work. The amount of Change Order 2 is 60% of the amount being requested. At this time we cannot verify in time for this meeting Agenda the full cost beyond the 60%. We will work with the Town's Construction Engineer to determine if the full amount requested of \$128,277.99 should be paid. If it is, we will return with another Change Order at the next meeting.

ATTACHMENTS:

1. Resolution
2. Change Orders