



TO: Board of Contracts and Awards
FROM: Michael P. Slevin III, P.E., Director, Environmental Services
Judith Scott, Division Manager, Operations and Maintenance
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator,
and Jessica Tonka, Senior Buyer, Finance/Purchasing
SUBJECT: Sole Source – Purchase of cured-in-place pipe liner kits, launching devices,
spare parts and system components for sewer system repair and
maintenance – December 13, 2016
DATE: November 28, 2016

SUMMARY:

The Environmental Services Operations and Maintenance Division, recommends a contract be awarded to LMK Technologies, LLC, Ottawa, IL, in the amount of \$750,000, budgeted from the ES Wastewater Fund 4300 and ES Surface Water Fund 4301, to purchase cured-in-place pipe (CIPP) liner kits, launching devices, spare parts, system components and equipment for use in trenchless, non-invasive repairs to the Wastewater and Surface Water collection system for a three-year term. This is an on-going contract, with a three-year estimate totaling \$750,000, plus sales tax.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

The continued use of this equipment will allow faster, cost effective repairs to be completed on the sanitary and surface water systems with no impact to the City streets.

BACKGROUND:

ISSUE: CIPP liner kits, launching devices, spare parts, system components and equipment are used in trenchless, non-invasive repairs to the Wastewater and Surface Water collection system. These liners eliminate the impact of surface road destruction by allowing repair of collection system pipes within the pipe structure instead of excavating to the collection system from the above roadway. Repairs to collection system assets with liner technology cost approximately one-third the price of repairs requiring site excavation. The liner kits, equipment and system components referenced above are manufactured by LMK Technologies, LLC, for use with their performance liner sectional process which is patented. This is an on-going contract, with a three-year estimate totaling \$750,000, plus sales tax.

ALTERNATIVES: Without this equipment, all sanitary and surface water repairs will be conducted by excavation. These types of repairs are more expensive and require spot repairs on the City streets, lowering the overall condition rating of the street.



COMPETITIVE SOLICITATION: Waiver of competitive bidding is requested due to sole source. The only liners that will function properly with the LMK liner sectional process is the LMK liner which are proprietary to LMK Technologies, LLC.

CONTRACT HISTORY: On March 27, 2007, Purchase Resolution No. 37136 approved the purchase of one LMK trailer mounted sectional repair system model SCTRL28, including additional repair kits, launching devices, and system components. The repair system is used for sewer maintenance work that will repair portions of existing sewer lines without extensive excavation and trenching. This was a competitively bid purchase resulting from bid specification GF06-0984F. Several contracts have been executed for liner kits and equipment with the most recent contract for \$200,000 expended resulting in the need for a new contract.

SUSTAINABILITY: CIPP liner kits, used in trenchless, non-invasive repairs to the Wastewater and Surface Water collection system eliminate the impact of surface road destruction by allowing repair of collection system pipes within the pipe structure instead of excavating to the collection system from the above roadway.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Environmental Services Operations and Maintenance Division, recommends a contract be awarded to LMK Technologies, LLC, Ottawa, IL, in the amount of \$750,000, budgeted from the ES Wastewater Fund 4300 and ES Surface Water Fund 4301, to purchase CIPP liner kits, launching devices, spare parts, system components and equipment for use in trenchless, non-invasive repairs to the Wastewater and Surface Water collection system for a three-year term. This is an on-going contract, with a three-year estimate totaling \$750,000, plus sales tax.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Wastewater Fund 4300	524200	5320100	\$525,000
Surface Water Fund 4301	521100	5320100	\$225,000
TOTAL			\$750,000

* General Fund: Include Department



REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Wastewater Fund 4300	523900	4343150	\$525,000
Surface Water Fund 4301	521900	4343040	\$225,000
TOTAL			\$750,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$500,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES

FINANCE PURCHASING

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City of Tacoma
Environmental Services Department

Date: November 29, 2016
To: Patsy Best, Procurement and Payables Division Manager
From: Michael P. Slevin III, P.E.
Environmental Services Director
Subject: Waiver of Competitive Solicitation Request – Sole Source Purchase
Purchase of cured-in-place pipe liner kits, launching devices, spare parts and system components for sewer system repair and maintenance.

For your review and recommendation.

In accordance with Tacoma Municipal Code 1.06.257.A. (Sole Source), Environmental Services Operations and Maintenance Division requests a waiver of the competitive solicitation process for purchase of cured-in-place pipe (CIPP) liner kits, launching devices, spare parts, system components and equipment for use in trenchless, non-invasive repairs to the Wastewater and Surface Water collection system. The sole source vendor is **LMK Technologies, LLC, Ottawa, Illinois**. This is an on-going contract, with a three-year estimate totaling \$750,000, plus sales tax.

“Follow-on” Contracts:

Is this sole source purchase based on a contract that was previously competitively bid by the City?
Yes No

If “yes”, provide brief history of the initial contract award, bid specification or RFP number, date, etc. Briefly explain relationship of this sole source purchase to previously competitively bid contract.

On March 27, 2007, City Council Purchase Resolution No. 37136, item number three, approved the purchase of one LMK trailer mounted sectional repair system model SCTRL28, including additional repair kits, launching devices, and system components. The repair system is used for sewer maintenance work that will repair portions of existing sewer lines without extensive excavation and trenching. This was a competitively bid purchase resulting from bid specification GF06-0984F.

Waiver Criteria:

1. Is there more than one feasible supplier of the product or service in the marketplace?
Yes No
Briefly explain.

The liner kits, equipment and system components referenced above are manufactured by LMK Technologies, LLC, for use with their performance liner sectional process which is patented.

2. Please support your contention it would be futile to advertise and competitively bid for the product or service as it would result in only one bid:
 - a. Describe the screening efforts you engaged in to identify potential suppliers. Include names of potential suppliers, contact person, phone numbers, or addresses.

The only liners that will function properly with the LMK liner sectional process is the LMK liner. The original bid solicitation contacted 13 vendors and the bid was awarded to LMK Enterprises, Inc., now LMK Technologies, LLC.

- b. Describe any technical or unique product/service attributes that prevent drafting specifications for a competitive bid to which more than one supplier could successfully respond.

The only liners that will function properly with the LMK liner sectional process are the LMK liners which are proprietary to LMK Technologies, LLC.

- c. Is the product available only through one vendor? Yes No
If "yes", such certification should be in writing from the manufacturer (not the vendor) and supported by results of the screening process or validated by the Purchasing Division. Written certification attached? Yes No

The attached letter from LMK Technologies, LLC, dated November 14, 2016, Sectional and Sectional T-Liner systems are patented and proprietary to LMK and they do not have a distribution network.

- d. What efforts were made to assure the City is receiving the lowest or best price possible?

The attached letter from LMK Technologies, LLC, dated November 14, 2016, states LMK does not currently offer discounts to any municipal agencies.


Written certification from manufacturer or vendor attached (optional)? Yes No

- e. Is this a one-time purchase? Yes No Total amount: _____
If "no," estimated total dollar amount over three-year period: \$750,000

Other supporting documentation attached? Yes No

City Contact person: Hugh Messer **Phone:** (253) 594-7825

Michael P. Slevin III, P.E.
Environmental Services Director


Department/Division Head
Signature Date 29 Nov 2016

Purchasing Use Only

Approved _____ Rejected _____
None (after the fact) _____
Date _____ By _____

Authorizing Signature, If Applicable

cc: Jessica Tonka, Finance/Purchasing

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FINANCE PURCHASING



Rick Gage, Vice President, Sales
Cell: 815-712-2195 Email: rgage@lmktechnologies.com

November 14, 2016

City of Tacoma
Attention: Steven Schmidt
2201 East Portland Avenue
Tacoma, WA 98421

Re: Request for information in regards to LMK and LMK's technologies

Dear Steven,

My name is Rick Gage and I am the Vice President of Sales here at LMK Technologies. As you well know ASTM International is globally accepted and their goal is to provide high-quality standardization for many industries. LMK's Sectional and Sectional Connection Liner CIPP Lining systems are 100% compliant with ASTM F2599 and structurally compliant with ASTM F1216. LMK's Sectional and Sectional Connection Lining Systems are patented and proprietary to LMK. LMK Technologies holds all of the patent rights for the methods and apparatuses and is the sole manufacturer and distributor of the Performance Liner® Sectional and Sectional Connection Liner Lining systems. LMK Technologies currently does not have a distribution network. We have set up the City of Tacoma's material pricing to include shipping without prejudice and we currently do not offer discounts to any municipal agencies.

Per your request, I hope this letter serves your purpose. Should you need additional information, I encourage you to contact me.

Kindest regards,

A handwritten signature in black ink, appearing to read "Rick Gage", written in a cursive style.

Vice President, Sales

