




City of Tacoma

Resolution No.:

Meeting Date: July 30, 2024

**Contract and Award Letter
Purchase Resolution —Exhibit "A"**

TO: Board of Contracts and Awards
FROM: Ramiro A. Chavez, P.E. PgMP, Director/City Engineer, Public Works 
Josh Lauer, Project Manager, Public Works
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Carly Fowler, Senior Buyer, Finance/Purchasing
SUBJECT: Asphalt Plant Chip Seal Oil Tanks REBID
Request for Bids Specification No. PW24-0070F, Contract No. CW2265875 – July
30, 2024 City Council
DATE: July 1, 2024

RECOMMENDATION SUMMARY: The Public Works (PW) Department recommends a contract be awarded to General Mechanical, Inc., Tacoma, WA, in the amount of \$1,399,571.00, plus a four percent contingency, budgeted from the 1060 Transportation Capital & Engineering Fund, for a projected contract amount of \$1,455,553.84, plus applicable taxes, for the installation of one vertical asphalt oil storage tank with all associated pumps, piping, insulation, heat trace, ladders, catwalk, and including a concrete foundation and secondary containment.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Assure outstanding stewardship of the natural and built environment.

City residents will be indirectly benefited by this project which provides additional material storage capacity on-site at the Tacoma Asphalt Batch Plant to support increased chip seal operations. The additional capacity will provide cost savings to facility operations and the City, indirectly benefitting residents. Supporting chip seal operations aids roadway maintenance, extending the life of existing infrastructure, and safe transit for all residents.

BACKGROUND: The procedure for oil handling at the Tacoma Asphalt Batch Plant currently requires a high level of management and supervision due to the limited storage capacity on site and the variability of deliveries coming in from the supplier. The limited on-site storage capacity frequently requires the Street Operations Division to store oil in their oil distributor trucks. This requires staff to work overtime to keep the oil heated in the oil distributor(s) and to monitor the distributors until enough storage space is available. The oil product must be kept at elevated temperatures while in storage to keep viscosity low and allow transfer pumps and the distributor(s) to work correctly.

Batch Plant staff evaluated existing delivery volumes, plant storage capacity and use rates, along with employee staffing and overtime, with the determination that the additional storage capacity would provide cost savings and efficiency sufficient to outweigh the costs of installation and maintenance.

ISSUE: The existing chip seal oil storage capacity at the Tacoma Asphalt Batch Plant is not sufficient to effectively support operations. Oil frequently must be ordered last minute and/or in excess which requires additional labor and logistics to manage. The solution is to increase the on-site storage capacity for chip seal oil such that it can support operations and still take a full



tanker truck delivery without requiring demurrage and the associated labor and cost for maintaining heat on the truck tank.

ALTERNATIVES: At this time the only alternative is to continue operating as performed today and in the past by managing the oil deliveries and usage as best as possible using the existing storage capacity.

COMPETITIVE SOLICITATION: Request for Bids Specification No. PW24-0070F was opened May 7, 2024. Seven companies were invited to bid in addition to normal advertising of the project. One submittal was received.

General Mechanical, Inc. submitted a bid that resulted in the lowest evaluated submittal after consideration of Equity in Contracting (EIC) participation goals. The table below reflects the amount of the total award.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Submittal</u> <u>Amount</u>
General Mechanical, Inc.	Tacoma, WA	\$1,399,571.00

Pre-bid Estimate: \$932,060.00

The recommended award is 50.2 percent above the pre-bid estimate.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: N/A

EQUITY IN CONTRACTING (EIC) COMPLIANCE: The recommended contractor is in compliance with the EIC requirements per memorandum dated May 9, 2024. The EIC requirements for this project are MBE eight percent, WBE one percent, and SBE eight percent. The EIC utilization levels of the recommended contractor, General Mechanical, Inc., are 13.79 percent MBE, 1.3 percent WBE, and 16.21 percent SBE.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: The LEAP requirement for this project is 15 percent of the project labor hours must be worked by Local Employees, per TMC 1.90.040.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1060 – Transportation Capital & Engineering	PWK-01042-05-01	5330100	\$1,455,553.84
TOTAL			Up to \$1,455,553.84

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1065 – PW Street Fund	662424	6311000	(\$1,455,553.84)
TOTAL			Up to (\$1,455,553.84)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,455,553.84

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A