

**City Council  
Agenda Memo**



**City Council  
Meeting Date: Mar 26, 2015**

**TO: David Vela, Interim City Manager**

**FROM: Rodney Taylor, Assistant Director of Water Utilities**

**SUBJECT: Authorize Change Order to the Contract with Tank Builders Inc. for the Northwest 7.5 MG Ground Storage Tank (GST) Rehabilitation Project**

**GENERAL INFORMATION**

On December 18, 2014 the City Council approved a contract with TBI for a turnkey project in the amount of \$1,911,000. At the time the original cost for rehabilitating the tank was being developed, the composition of the existing surface coating material was not known.

The 7.5 MG GST was constructed in 1966 as a part of the Northwest Pump Station facility. It is believed that the original base coatings on the internal and external tank surfaces met the applicable regulations in place at that time. However, since that time the US EPA and the TCEQ have established very stringent standards for items such as painted surfaces that come into contact with potable water. As a result, the existing coating material must be removed from the surfaces of the tank, and the new surface coatings must meet the current regulatory criteria as listed under NSF/ANSI Standard 61 for components in contact with potable water.

Therefore, the Water Department is requesting that by written resolution the City Council authorize a Change Order to the construction contract with Tank Builders Inc. (TBI) for the Northwest 7.5 MG Ground Storage Tank Rehabilitation. The Change Order in the amount of \$271,900.00 is necessary for the additional cost of work of containment, emissions control, and disposal associated with the removal of the existing painted surface coating materials.

**FUNDING/FISCAL IMPACT**

The funds for the change order to the contract for Northwest 7.5 MG GST Rehabilitation project will come from the Water Department's "Unrestricted, designated for capital projects" Fund Balance.

**STAFF RECOMMENDATION**

Staff recommends approval of the written resolution

**ATTACHMENTS**

Engineer's Letter of Recommendation  
Written Resolution

Prepared by:

Name Rodney Taylor

Title Asst. Water Director

Item No. 7.1

Disposition by City Council

- Approved      Ord/Res#
- Denied            \_\_\_\_\_
- Other

\_\_\_\_\_  
City Secretary



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March 16, 2015

Mr. Rodney Taylor, Assistant DWU  
City of Abilene  
P.O. Box 60  
Abilene, Texas 79604

Re: Northwest 7.5 MG Ground Storage Tank Rehabilitation Project  
Proposed Change Order

Via Email

Dear Mr. Taylor:

Tank Builders Inc. (TBI) is currently contracted with the City of Abilene in the amount of \$1,911,000.00 for rehabilitation of the Northwest 7.5 MG Ground Storage Tank. During the rehabilitation process TBI has encountered a contaminant within the existing coating system on the tank that will require extensive additional safety and precautionary measures to remove, contain and dispose of the contaminant. TBI was not aware of the contaminant when they provided their original cost proposal to rehabilitate the tank. Therefore, TBI is requesting a change order amount of \$271,900.00 in order to properly remove, contain and dispose of the contaminant to meet the state regulatory requirements for said contaminant. Jacob & Martin has evaluated the cost proposal for the change order provided by TBI and believes the proposed change order cost to be fair and equitable to the City. Based on our evaluation we are recommending the City approve the proposed change order amount of \$271,900.00. Feel free to contact me if you have any questions.

Sincerely,

Kirt Harle, P.E..  
JACOB & MARTIN, LTD.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, AUTHORIZING A CHANGE ORDER TO THE CONTRACT WITH TANK BUILDERS INC FOR THE NORTHWEST 7.5 MG GROUND STORAGE TANK REHABILITATION PROJECT**

**WHEREAS**, on December 18, 2014 the Abilene City Council authorized a contract with Tank Builders Inc. (TBI) in the amount of \$1,911,000 for the Northwest 7.5 MG Ground Storage Tank Rehabilitation project for the turn-key rehabilitation of the tank; and

**WHEREAS**, TBI has completed demolition work and is currently installing the new supporting structure and roof panels; and

**WHEREAS**, during the construction work the Design Engineer performed a test on the existing surface coatings which revealed that a component of the existing coating material would require special containment, emissions control, handling and disposal practices; and

**WHEREAS**, TBI was not aware of the components of the existing surface coating when it developed the original cost proposal, and therefore those additional costs associated with special handling and disposal practices are not included in the original contract price for the project; and

**WHEREAS**, the Design Engineer has evaluated the proposed change order for the additional costs of the work and does recommend that the City authorize a change order in the amount of \$271,900 for the necessary additional cost of work; and

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:**

**Part 1.** That the Abilene City Manager is authorized to execute a change order in the amount of \$271,900.00 to the contract with TBI for the Northwest 7.5 MG Ground Storage Tank Rehabilitation project for the additional cost of special containment, emissions control, handling and disposal practices related to removal of existing coating materials.

**Part 2.** This resolution is effective upon adoption.

**ADOPTED this 26th day of March, 2015.**

ATTEST:

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Danette Dunlap, City Secretary

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Norman Archibald, Mayor

APPROVED:

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T. Daniel Santee, City Attorney