

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

A RESOLUTION AUTHORIZING THE ADMINISTRATOR FOR THE DEPARTMENT OF PUBLIC WORKS TO AWARD CONTRACT NO. W-12-025-201 TO SAK CONSTRUCTION, LLC, TANNERY FLATS INTERCEPTOR REHABILITATION PROJECT, IN THE AMOUNT OF FOUR MILLION ONE HUNDRED FORTY-THREE THOUSAND THREE HUNDRED NINETY-ONE DOLLARS (\$4,143,391.00), WITH A CONTINGENCY IN THE AMOUNT OF TWO HUNDRED SEVEN THOUSAND ONE HUNDRED SEVENTY DOLLARS (\$207,170.00), FOR AN AMOUNT NOT TO EXCEED FOUR MILLION THREE HUNDRED FIFTY THOUSAND FIVE HUNDRED SIXTY-ONE DOLLARS (\$4,350,561.00), SUBJECT TO SRF LOAN APPROVAL.

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that the Administrator for the Department of Public Works is hereby authorized to award Contract No. W-12-025-201 to SAK Construction, LLC, Tannery Flats Interceptor Rehabilitation Project, in the amount of \$4,143,391.00, with a contingency in the amount of \$207,170.00, for an amount not to exceed \$4,350,561.00, subject to SRF loan approval.

ADOPTED: \_\_\_\_\_, 2015

/mem

# City of Chattanooga



## Resolution/Ordinance Request Form

Date Prepared: May 15, 2015

Preparer: Dennis Malone

Department: Public Works

Brief Description of Purpose for Resolution/Ordinance:

Res./Ord. # \_\_\_\_\_ Council District #

7

A City Council resolution is requested to award Contract No. W-12-025-201, Tannery Flats Interceptor Rehabilitation Project, to SAK Construction, LLC, in the amount of \$4,143,391.00 with a contingency amount of \$207,170.00 for an amount not-to-exceed \$4,350,561.00, subject to SRF Loan Approval.

Name of Vendor/Contractor/Grant, etc.	<u>SAK Construction Co., LLC</u>	New Contract/Project? (Yes or No)	<u>Yes</u>
Total project cost \$	<u>4,350,561.00</u>	Funds Budgeted? (YES or NO)	<u>Yes</u>
Total City of Chattanooga Portion \$	<u>4,350,561.00</u>	Provide Fund	<u>6012</u>
City Amount Funded \$	<u>4,350,561.00</u>	Provide Cost Center	<u>K37129</u>
New City Funding Required \$	<u>0</u>	Proposed Funding Source if not budgeted	_____
City's Match Percentage %	_____	Grant Period (if applicable)	<u>SRF 2013-318</u>

List all other funding sources and amount for each contributor.

Amount(s)

Grantor(s)

\$4,350,561.00

SRF 2013-318

Agency Grant Number \_\_\_\_\_

CFDA Number if known \_\_\_\_\_

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Funding is ISS Funding from previous FY. Consent Decree projects.

Approved by: \_\_\_\_\_

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: 1/26/09

## Malone Dennis

---

**From:** Palmer, Chris <Chris.Palmer@jacobs.com>  
**Sent:** Monday, May 18, 2015 4:16 PM  
**To:** Malone Dennis  
**Cc:** Patrick Mike; Marino, Mike A.  
**Subject:** FW: W-12-025-201 - Tannery Flats Interceptor Rehabilitation  
**Attachments:** Tannery Flats Value Engineering Summary.docx; Tannery Flats VE by SAK.xlsx

**Importance:** High

FYI

Christopher C. Palmer, P.E. | Jacobs | Project Manager | Deputy Program Manager | 423.779.3075 o | 770.714.9837 c | [Chris.Palmer@jacobs.com](mailto:Chris.Palmer@jacobs.com) | [www.jacobs.com](http://www.jacobs.com)

**From:** Bolender, Justin [<mailto:Justin.Bolender@hdrinc.com>]  
**Sent:** Monday, May 18, 2015 1:12 PM  
**To:** Palmer, Chris  
**Subject:** FW: W-12-025-201 - Tannery Flats Interceptor Rehabilitation  
**Importance:** High

Chris, as discussed SAK has offered the savings detailed below and in the two attachments. At this point the total deduct would be \$534,054. The reduced total contract amount would then be \$4,143,391.

The following may further reduce the overall contract cost if we choose to work through these with SAK:

- 1) Bid item 20 Surface MH Reconstruction could possibly be fully eliminated (\$90,000 savings)
- 2) Bid item 17 MH Rehab could be reduced further if we identify exactly what MHs will be abandoned.

I will contact SAK to discuss these items.

Please let me know if you like to me move forward with the existing numbers in a recommendation letter.

Thank you,

**Justin Bolender, PE**  
D 423.414.3559 M 859.806.0450

[hdrinc.com/follow-us](http://hdrinc.com/follow-us)

**From:** Clayton Washburn [<mailto:cwashburn@sakon.com>]  
**Sent:** Tuesday, May 12, 2015 12:40 PM  
**To:** Smith, Rich  
**Cc:** [chris.palmer@jacobs.com](mailto:chris.palmer@jacobs.com); [brent.cunningham@jacobs.com](mailto:brent.cunningham@jacobs.com); Bolender, Justin  
**Subject:** RE: W-12-025-201 - Tannery Flats Interceptor Rehabilitation  
**Importance:** High

All,

After you review this, please let me know if you have any questions. Once we talk through, I can finalize on letterhead for the contracts. Thanks.

SAK has evaluated cost saving items to reduce the overall project costs for the Tannery Flats Project that was discussed on May 7, 2015 via conference call with representatives from the City of Chattanooga, Jacobs Engineering, HDR, and SAK Construction, LLC. The summary of costs have been calculated to include an additional 60 calendar days to be added to the project to allow more efficient parallel planning with the Chattanooga Creek Project for the City of Chattanooga which SAK is the apparent low bidder. The summary of proposed value engineered cost savings for the Chattanooga Creek Project by SAK Construction is as follows:

1. Bid item 5, Stabilized Construction Access Road, bid quantity was reduced from 7,460 linear feet to 300 linear feet as construction roads for the project are not deemed necessary at this time. This results in a savings of **\$214,800**.
2. SAK will coordinate the Chattanooga Creek Project in conjunction with this project. By adding the extra duration (60 calendar days) to this project and sharing resources between the two projects, there are costs savings that SAK is prepared to pass on to the City of Chattanooga. This results in a savings of **\$79,995**.
3. Partially deteriorated design thickness rather than fully deteriorated design thickness. The cost savings including direct material (CIPP tube, resin, and catalyst), overhead, bond, insurance, and profit is **\$77,259**.
4. Based on the reduction of manhole rehabilitation required (item 17) as approximately 7 manholes will be intermediate to the cured-in-place process (CIPP) and will ultimately be lined through, these manholes will be abandoned (as agreed by the City). SAK will line through these manholes and will not cut out the CIPP in the intermediate manhole. SAK has not included cost to fill these with sand or flowable fill. This results in a cost savings of **\$48,000**.
5. SAK has eliminated item's 19 and 26 as directed. This results in a savings of **\$45,000**.
6. Pay items 29, 30, and 31 have been reduced based on more accurate information now being available. This results in a savings of **\$45,500**.
7. Bid item 2, Silt Fence, bid quantity was reduced from 3,150 linear feet to 800 linear feet as construction roads for the project are not deemed necessary at this time resulting in a significant reduction for silt fence. This results in a savings of **\$23,500**.

The total value of the engineered cost savings for the Tannery Flats Project is **\$534,054** based on the assumptions summarized above. The attached spreadsheet reflects the adjusted unit pricing.

**Note: The total cost savings (from above) for item 2 (\$79,995) and item 3 (\$77,259) are reflected in bid items 14, 15a, 15b, and 16 reflecting in a cost deduction of \$157,254.**

**Clayton Washburn**  
GM, Southeast Region



Tel 615.345.0245 x1551 | Cell 615.974.0003 |  
47 Fern Ave | Nashville, TN 37207 | [www.sakon.com](http://www.sakon.com)

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**From:** Clayton Washburn

**Sent:** Thursday, May 07, 2015 7:58 PM

**To:** 'Smith, Rich'

**Cc:** 'chris.palmer@jacobs.com'; 'brent.cunningham@jacobs.com'; 'Bolender, Justin'; 'Dennis Malone'; Loren Goens; Terry

Adderhold ([tadderhold@sakcon.com](mailto:tadderhold@sakcon.com)); Jeff Oberhofer  
**Subject:** RE: W-12-025-201 - Tannery Flats Interceptor Rehabilitation

Rich,

Attached is the manhole summary for Tannery with highlights the total costs based on the unit prices bid. We have highlighted (in green) the intermediate manholes (SAK will be lining through). As you can see there are a significant number of intermediate manholes (10) that could be abandoned if agreed by the City. We realize maintenance considerations may be evaluated in making this decision. Once the determination of manhole abandonments is made, SAK will need to calculate the costs to abandon (will be much less than the unit pricing for rehabilitation).

One other item to consider for our discussion in the morning is the silt fence quantity. Since the roadway construction quantity will be greatly reduced, so will the need for silt fence. This could be another \$20,000 to \$25,000 savings.

Let me know the call in number for the conference call in the morning.

Thanks,

Clayton

**Clayton Washburn**  
GM, Southeast Region



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**From:** Clayton Washburn  
**Sent:** Wednesday, May 06, 2015 8:45 AM  
**To:** 'Smith, Rich'  
**Cc:** [chris.palmer@jacobs.com](mailto:chris.palmer@jacobs.com); [brent.cunningham@jacobs.com](mailto:brent.cunningham@jacobs.com); Bolender, Justin; Dennis Malone; Loren Goens; Terry Adderhold ([tadderhold@sakcon.com](mailto:tadderhold@sakcon.com)); Jeff Oberhofer  
**Subject:** RE: W-12-025-201 - Tannery Flats Interceptor Rehabilitation

Rich,

Thanks for sending this. The following items are being addressed for Friday's call:

1. We are calculating the material savings utilizing the PD design as you forwarded.
2. In preparation for our call, we will forward a list manholes that we plan to line through along the river. We did this on the Chattanooga Creek project with some success in lowering project costs. By lining through a manhole, we can abandon it, and essentially eliminating all inflow permanently (obviously this would need to be approved by the City taking in account future maintenance needs).
3. We will analyze options for accessing MH S155B002 to reduce the impact and cost.
4. Another additional topic that you may want to consider is adjusting the bypass flow requirements as done on the Chattanooga Creek project. This project is a little different as we are planning to bypass the flow into the adjacent 72 inch sanitary sewer (less bypass piping length compared to Chattanooga Creek). Nevertheless, bypassing less flow will have a marginal impact on Tannery Flats.
5. The point repair allowance of \$50,000 is a wildcard until it is televised. You may have better intel based on the evaluation work performed for design. This could be a quick \$50K savings if no point repairs are needed.

6. We are also reviewing the other allowances (CIPP testing, surveying, and concrete testing). I think the CIPP testing and surveying can be reduced significantly. I'll be prepared to discuss.
7. Coordinating this project with Chattanooga Creek is also advantageous to SAK. We are working on schedules and resource loading to determine any additional cost reductions can be passed on to the City.
8. Let me know if there are any other ideas that you may have that we can consider.

Like we did for the Chattanooga Creek project, we will do our very best to work with you.

Thanks,

Clayton

**Clayton Washburn, PE**  
GM, Southeast Region



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47 Fern Ave | Nashville, TN 37207 | [www.sakcon.com](http://www.sakcon.com)

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**From:** Smith, Rich [<mailto:Rich.Smith@hdrinc.com>]

**Sent:** Tuesday, May 05, 2015 2:35 PM

**To:** Clayton Washburn

**Cc:** [chris.palmer@jacobs.com](mailto:chris.palmer@jacobs.com); [brent.cunningham@jacobs.com](mailto:brent.cunningham@jacobs.com); Bolender, Justin; Dennis Malone

**Subject:** FW: W-12-025-201 - Tannery Flats Interceptor Rehabilitation

Mr. Washburn,

In preparation for our teleconference Friday 5/8 on the Tannery Flats project, please consider the following:

1. The attached spreadsheet shows updated design thicknesses and quantities for CIPP rehabilitation, considering partially deteriorated design for rehab of most line segments.
2. Removal of \$223,000 bid item for access roads. Most of these roads have been updated by the Riverwalk Project and will not need to be improved for construction access. The road from the Carter St. Regulator to MH S155B002 may still need to be upgraded (approx. 2000 LF).
3. Removal of Bid Item No. 18 – Rehab of Concrete Box entering 19<sup>th</sup> Street pump station.
4. Removal of Bid Item No. 26 – Flowable fill in 36-inch outfall pipe.

We will discuss these items as well as other potential cost saving ideas.

Thank you,  
Rich

**Richard K. Smith, PE**  
Project Manager

**HDR**  
1201 Market Street, Suite C  
Chattanooga, TN  
D 423.414.3553 M 859.221.2320  
[rich.smith@hdrinc.com](mailto:rich.smith@hdrinc.com)

SAK has evaluated cost saving items to reduce the overall project costs for the Tannery Flats Project that was discussed on May 7, 2015 via conference call with representatives from the City of Chattanooga, Jacobs Engineering, HDR, and SAK Construction, LLC. The summary of costs have been calculated to include an additional 60 calendar days to be added to the project to allow more efficient parallel planning with the Chattanooga Creek Project for the City of Chattanooga which SAK is the apparent low bidder. The summary of proposed value engineered cost savings for the Chattanooga Creek Project by SAK Construction is as follows:

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Notes

Item No.	Quantity	Unit	Description	Unit Price	Total Price	Item No.	Quantity	Unit	Description	Unit Price	Total Price
1	1	LS	Mobilization	\$ 185,000	\$ 185,000	1	1	LS	Mobilization	\$ 185,000	\$ 185,000
2	3,150	LF	SIR Fence	\$ 10	\$ 31,500	2	3,150	LF	SIR Fence	\$ 10	\$ 31,500
3	1	EA	Construction Entrance/Exit	\$ 25,000	\$ 25,000	3	1	EA	Construction Entrance/Exit	\$ 25,000	\$ 25,000
4	1	EA	Temporary Ditch Crossing	\$ 35,000	\$ 35,000	4	1	EA	Temporary Ditch Crossing	\$ 35,000	\$ 35,000
5	7,460	LF	Shoulder Construction Access Road	\$ 30	\$ 223,800	5	7,460	LF	Shoulder Construction Access Road	\$ 30	\$ 223,800
6	130	LF	Pre-installation Cleaning of 18 inch	\$ 20	\$ 2,600	6	130	LF	Pre-installation Cleaning of 18 inch	\$ 20	\$ 2,600
7	6,433	LF	Pre-installation Cleaning of 36 inch	\$ 50	\$ 321,650	7	6,433	LF	Pre-installation Cleaning of 36 inch	\$ 50	\$ 321,650
8	5,000	LF	Pre-installation Heavy Cleaning 36 inch	\$ 5	\$ 25,000	8	5,000	LF	Pre-installation Heavy Cleaning 36 inch	\$ 5	\$ 25,000
9	130	LF	Pre-installation CCTV 18 inch	\$ 10	\$ 1,300	9	130	LF	Pre-installation CCTV 18 inch	\$ 10	\$ 1,300
10	6,433	LF	Pre-installation CCTV 36 inch	\$ 10	\$ 64,330	10	6,433	LF	Pre-installation CCTV 36 inch	\$ 10	\$ 64,330
11	130	LF	Post-Installation CCTV 18 inch	\$ 10	\$ 1,300	11	130	LF	Post-Installation CCTV 18 inch	\$ 10	\$ 1,300
12	6,433	LF	Post-Installation CCTV 36 inch	\$ 10	\$ 64,330	12	6,433	LF	Post-Installation CCTV 36 inch	\$ 10	\$ 64,330
13	130	LF	CIP 18 inch 13.5mm	\$ 42	\$ 5,460	13	130	LF	CIP 18 inch 13.5mm	\$ 42	\$ 5,460
14	1,529	LF	SKF Felt CP 36 inch 21mm	\$ 465	\$ 710,985	14	1,529	LF	SKF Felt CP 36 inch 21mm	\$ 465	\$ 710,985
15	284	LF	SKF Felt CP 36 inch 22.5mm	\$ 475	\$ 134,900	15	284	LF	SKF Felt CP 36 inch 22.5mm	\$ 475	\$ 134,900
16	4,620	LF	SKF Felt CP 36 inch 28.5mm	\$ 495	\$ 2,286,900	16	4,620	LF	SKF Felt CP 36 inch 28.5mm	\$ 495	\$ 2,286,900
17	320	VF	Subsurface MH Rehab Type 2 48 inch Dia	\$ 500	\$ 160,000	17	320	VF	Subsurface MH Rehab Type 2 48 inch Dia	\$ 500	\$ 160,000
18	1	LS	Subsurface MH Rehab Type 2 Concrete Box at 19th	\$ 25,000	\$ 25,000	18	1	LS	Subsurface MH Rehab Type 2 Concrete Box at 19th Street	\$ 25,000	\$ 25,000
19	4	EA	Replace Ex F&C w new Watertight F&C	\$ 1,750	\$ 7,000	19	4	EA	Replace Ex F&C w new Watertight F&C	\$ 1,750	\$ 7,000
20	3	EA	Surface MH Reconstruction	\$ 30,000	\$ 90,000	20	3	EA	Surface MH Reconstruction	\$ 30,000	\$ 90,000
21	1	EA	6 Feet Dia Precast Concrete MH Base	\$ 60,000	\$ 60,000	21	1	EA	6 Feet Dia Precast Concrete MH Base	\$ 60,000	\$ 60,000
22	27	VF	4 Feet Dia Precast Concrete MH Risers	\$ 300	\$ 8,100	22	27	VF	4 Feet Dia Precast Concrete MH Risers	\$ 300	\$ 8,100
23	1	LS	Modifications to MH S1450003	\$ 15,000	\$ 15,000	23	1	LS	Modifications to MH S1450003	\$ 15,000	\$ 15,000
24	1	LS	Modifications to MH S1558002	\$ 25,000	\$ 25,000	24	1	LS	Modifications to MH S1558002	\$ 25,000	\$ 25,000
25	1	LS	Remove and Plug 12 inch Inside Drop MH S1554073	\$ 6,000	\$ 6,000	25	1	LS	Remove and Plug 12 inch Inside Drop MH S1554073	\$ 6,000	\$ 6,000
26	1	LS	Abandon 36 inch Outfall Pipe MH S1558003 w	\$ 20,000	\$ 20,000	26	1	LS	Abandon 36 inch Outfall Pipe MH S1558003 w Flowable FB	\$ 20,000	\$ 20,000
27				\$ 4,584,948	\$ 4,584,948	27				\$ 4,584,948	\$ 4,584,948
28	1	LS	Cash Allowance Soil/Concrete Testing	\$ 15,000	\$ 15,000	28	1	LS	Cash Allowance Soil/Concrete Testing	\$ 15,000	\$ 15,000
29	1	LS	Cash Allowance CIP Testing	\$ 10,000	\$ 10,000	29	1	LS	Cash Allowance CIP Testing	\$ 10,000	\$ 10,000
30	1	LS	Cash Allowance Const Verification Surveying	\$ 10,000	\$ 10,000	30	1	LS	Cash Allowance Const Verification Surveying	\$ 10,000	\$ 10,000
31	1	LS	Cash Allowance Point Repairs, 2 EA	\$ 50,000	\$ 50,000	31	1	LS	Cash Allowance Point Repairs, 2 EA	\$ 50,000	\$ 50,000
32	1	LS	Cash Allowance Disposal Contaminated Soil 150 TON	\$ 7,500	\$ 7,500	32	1	LS	Cash Allowance Disposal Contaminated Soil 150 TON	\$ 7,500	\$ 7,500
				Total Bid	\$ 4,677,445				Total Bid	\$ 4,677,445	\$ 4,677,445

Value Engineering Savings \$ 534,054

Value Engineering Savings \$ 534,054