COUNCIL DECISION REQUEST

SUBJECT: C. C. Cragin Ductile Iron Pipe Purchase

MEETING DATE: 04-07-11

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: LaRon Garrett, Pub. Wks. Dir.

AMOUNT BUDGETED: $3,000,000

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: $1,802,228.80

CONT. FUNDING REQUIRED: $0

EXHIBITS (If Applicable, To Be Attached):

POSSIBLE MOTION

I move to direct staff to proceed with the purchase of the ductile iron pipe for the C. C. Cragin water line from Dana Kepner Company, Inc.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

The Town of Payson has been working towards bringing water to the town from C. C. Cragin (formerly Blue Ridge) Reservoir for over 30 years. This long term project is beginning to materialize. In 2009 the Town entered into a consulting contract for the preliminary design of the raw water portion of pipeline with Sunrise Engineering, Inc. A portion of their contract is to purchase the pipe for entire water line for the town.

Based on the preliminary design for the raw water line by Sunrise Engineering, Inc. and the treated water line by Tetra Tech, Inc. we were able to determine the amount of each type of pipe needed for this project. The information was used to solicit bids for the ductile portion of the pipeline. There will be an additional bid after the final plans are completed to purchase the steel cylinder pipe along with the pipe installation.

In March, 2010 we received bids for the purchase of the Ductile Iron Pipe. Four bids were submitted as follows:

Pipe Supplier	Bid
Dana Kepner	$1,802,228.80
Farnsworth Wholesale, Inc.	$1,840,837.00
H. D. Supply Water Works	$1,939,713.00
Ferguson Water Works	$2,012,370.40

Based on the bids received, staff requests approval to proceed with the purchase of the ductile iron pipe for the C. C. Cragin Water Line from Dana Kepner for $1,802,228.80.

Funding for the pipe purchase was included in the American Recovery and Reinvestment Act of 2009 (ARRA) grant the Town received.

PROS:

The price of steel in rising. By purchasing the pipe now we are able to get it at a lower price.

CONS:

We will have to store the pipe for approximately 18 months until we are ready to install it. However, we do have a location for the storage.

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PUBLIC INPUT (if any): N/A

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Acct: 662-5-5451-00-8600C17	Budget: $3,500,000	Available	Expense: 1,802,228.80	Remaining: 1,697,771.20
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

3A: Hope A Cubit Date: 3-30-11