



## Legislation Text

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve the award of Option Year Two of Contract 20-001, Pipefitting, Plumbing and Mechanical Services, to Dahme Mechanical Industries, Inc. for an amount to not exceed \$204,000 and for a one-year term

**DEPARTMENT:** Water Utilities

**SUBMITTED BY:** Darrell Blenniss, Director

#### **BOARD/COMMISSION REVIEW:**

N/A

#### **BACKGROUND:**

Dahme Mechanical Industries, Inc. provides a full spectrum of services to maintain, repair and replace piping and pumping systems on the water supply, water distribution and wastewater collection and treatment systems.

In January 2020, the City Council awarded Bid 20-001, Pipefitting, Plumbing and Mechanical Services, to Dahme Mechanical Industries, Inc. for a 10.5-month term from February 19, 2020 to December 31, 2020. The first option extension was approved on October 6, 2020.

#### **DISCUSSION:**

Dahme Mechanical Industries, Inc. performed well during the first optional contract term. During the current term, the Water Utilities used the vendor to perform the following work:

1. Installation of large flow meters at several water booster stations
2. Replacement of soil pipe at Northwest Water Works
3. Piping repairs at Springbrook Water Reclamation Center
4. Replacement of large isolation valves at Northeast Water Works
5. Check valve replacement at several wastewater pump stations

Dahme originally asked for a 6% increase due to rising indirect costs such as transportation, pipefitters wage expenses, and a tight supply of key materials. Since December 2020, the construction cost index increased 5.2% and the Illinois Department of Labor prevailing wages increased 2.46% for base pipefitters and 2.32% for foreman wages. Through negotiations, the vendor agreed to a 3% increase. The requested award is the second of four optional renewals. The term of this option is January 1, 2022 through December 31, 2022.

#### **FISCAL IMPACT:**

CIP: WU007, WU029, WW034

Pipefitting, plumbing and mechanical services are expensed to the operational services and infrastructure accounts listed below. A total of \$987,146 is budgeted for various pipefitting, plumbing and mechanical services related to general operations in 2021. An additional \$4,668,000 is budgeted for services related to WU007, WU029 and WW034 in the capital program for 2021. This contract will be used in the development of the 2022 budget later this year.

Account Number	Fund Description	Total Budget Amount
41251510-531308	Water & Wastewater	\$406,146
41251520-531308	Water & Wastewater	\$581,000
41251500-551502	Water & Wastewater	\$26,743,950