

## FOR BOARD ACTION

Agenda Item # 8.a.

Meeting Date:

4/27/04

**SUBJECT:**

SLP – Unit 4

Chimney Inspection Painting & Repair 2004

**PREPARED BY:**

Tom Williamson, Sr. Mechanical Engineer

ITEM DESCRIPTION:

On March 19, 2004 one bid package was received from Oak Park Chimney, but the bid form was not completed. Staff requests that the Board reject this bid for failure to meet bid specifications.

Due to the outage schedule, the specifications were rewritten to include Phase I the external work, and Phase II the internal work. The Phase I work will be performed during the summer months and if possible, the Phase II work will be performed during a fall outage.

On April 20, 2004 five bids were received for the above-referenced project. Several references were called and the low price was discussed with Gerard Chimney Company. They are confident they can do the work for the price quoted.

The project was budgeted at \$75,000 based on a scope of work and an estimate from several years ago. However, the chimney inspection was not included in the scope. The current bids are over budget by \$59,000 due to the inspection cost, incomplete estimate of the scope of work, and escalation. In accordance with their expenditure authorization, the Board can approve the project above the budget amount.

UTILITY BOARD ACTION REQUESTED:

It is recommended that the Board reject the bid from Oak Park Chimney for failure to meet bid specifications. The Board is requested to approve a contract agreement with Gerard Chimney Co. for \$133,998.00 to provide the Chimney Inspection, Painting and Repair and to request that the Mayor and City Clerk execute the agreement.

  
\_\_\_\_\_  
General Manager

4-22-04

\_\_\_\_\_  
Date

**ROCHESTER PUBLIC UTILITIES**

ROCHESTER PUBLIC UTILITIES  
 SLP UNIT 4 CHIMNEY INSPECTION, PAINTING & REPAIRS – 2004  
 Due Date: April 20, 2004 - 2:00 P.M.

	Gerard Chimney Co.	Oak Park Chimney Corp.	International Chimney	Abhe & Svoboda Inc.	TMI Coatings
Bid Bond	Yes	Yes	Yes, check	Yes	Yes
Base Bid Phase 1	\$112,750	\$164,820	\$281,770	\$150,000	\$208,500
Sales Tax	\$1,000	\$1,765	\$560	\$1,200	\$1500
Contingency	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Alternate Bid Phase 2	\$17,115	\$12,410	\$12,410	\$35,000	\$28,200
Sales Tax	\$133	\$105	\$390	\$140	\$200
Total Bid Price	\$133,998	\$182,100	\$298,130	\$189,340	\$241,400
Completion Date	7/15/04	7/14/04	60 days	6/15/04	8/31/04
Experience with Tuff-Kote	Yes	Yes	Yes	No	No
Unit Price – one lineal foot of 5½" tuffglass fabric	\$12.50	\$2.15	\$18.50	\$25.00	\$10.00
Unit Price – one lineal foot of 11" tuffglass fabric	\$14.00	\$3.80	\$27.10	\$30.00	\$25.00
Unit Price – one square foot of concrete patch 2" deep	\$78.00	\$16.55	\$36.00	\$125.00	\$150.00
Unit Price – additional test ports	\$3,140	\$2,160	\$2,800	\$1,000	\$6,000

ROCHESTER PUBLIC UTILITIES  
 SLP UNIT 4 CHIMNEY INSPECTION, PAINTING & REPAIRS – 2004  
 BID INFORMATION & QUALIFICATIONS  
 Due Date: April 20, 2004 - 2:00 P.M.

	Gerard Chimney Co.	Oak Park Chimney Corp.	International Chimney	Abhe & Svoboda Inc.	TMI Coatings
Number of years in business	53	21	77	31	18
Number of similar projects completed within the last two years. (Projects using TuffKote products)	4	1	2	See attached list	Numberous stack/ chimney painting & repair projects
Names and locations of projects	Energy-New Orleans, LA Merchant Marine-Kings Point, NY Amalgamated Sugar-Nampa, ID Domino Sugar-Baltimore, MD	Honolulu YMCA-Waipaha, HA Mr. Jess Lobdel, Tuff-Kote owner	Minn Pwr-Duluth, MN City of Independence-Independence, MO	See attached list	
Statutory Worker's Compensation (Minn.)	\$500,000	\$500,000	See attached sample		\$500,000
Bodily injury per person	\$1,000,000	\$1,000,000		See Ins. Certificate	\$1,000,000
Bodily injury per occurrence	\$1,000,000	\$1,000,000		See Ins. Certificate	\$1,000,000
Property Damage	\$1,000,000	\$1,000,000		See Ins. Certificate	\$1,000,000
Umbrella Form	\$5,000,000	\$4,000,000		See Ins. Certificate	\$3,000,000
Does your existing insurance policy meet all of the insurance requirements in the specs or agreement?	Yes	Yes	Yes	Yes	No
Will you be able to obtain the coverage required?	Yes	Yes	Yes	Yes	Yes
Is the Certificate of Insurance included with your bid?	Yes	Yes	Yes	Yes	See sample certificate
Concrete coating manufacturer	TK Coatings	Tuff Kote	Tuff Kote	TK Coatings, LLC	As specified
Total finish coat (Stack-Kote) required (gallons)	400	530	+ 320	220	500
Total undercoat (Binder-Kote) required (gallons)	80	75	+ 80	300	60
Total bonding coat (Tuff-Kote for glass) (gallons)	5	10	+ 15	55	5
Concrete patch – bonding agent manufacturer	Lafarge	Albitol	Sikatop 123	Sika Corp.	As specified
Concrete patch – cement manufacturer	Lafarge Calcium Aluminate	Tnemecc	N/A	Sika Corp.	As specified
Steel coating manufacturer	Tnemecc	Tnemecc	Tnemecc	Tnemecc	Tnemecc
First coat for steel required (gallons)	Purple Prime 20 gallons	66 20 gallons	Per Spec VII-C ± 16 gals.	Tnemecc 5 gallons	66 25 gallons
Second coat for steel required (gallons)	Series 66 30 gallons Series 1074 40 gallons	Series 1074 16 gallons	Per Spec VII-C ± 16 gals.	Tnemecc 5 gallons	Series 1074 20 gals.
Number of days required for Phase 2 work	10 working days	3 days	+ 6 days	10 days	7 days

# ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID PU GERAR-3 DATE (MM/DD/YYYY) 4-19-04

**PRODUCER**

Charles L. Crane Agency Co.  
100 South 4th Street  
St. Louis MO 63102  
Phone: 314-241-8700 Fax: 314-444-4970

**INSURED**

Gerard Chimney Co  
4607 Beck  
St Louis MO 63116

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURERS AFFORDING COVERAGE**

- INSURER A: Interstate Fire and Casualty
- INSURER B: ITT Hartford Ins Group \*\*
- INSURER C: Interstate Indemnity Company
- INSURER D:
- INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/>	GL11110774	05/09/03	05/09/04	EACH OCCURRENCE	\$ 1,000,000
	FIRE DAMAGE (Any one fire)				\$ 50,000	
					MED EXP (Any one person)	\$ X
					PERSONAL & ADV INJURY	\$ 1,000,000
					GENERAL AGGREGATE	\$ 2,000,000
					PRODUCTS - COMP/OP AGG	\$ 1,000,000
C	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	BA6112964-01	05/09/03	05/09/04	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	BODILY INJURY (Per person)				\$	
	BODILY INJURY (Per accident)				\$	
	PROPERTY DAMAGE (Per accident)				\$	
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY: EA ACC	\$
					AUTO ONLY: AGG	\$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	UM01605558	05/09/03	05/09/04	EACH OCCURRENCE	\$ 5,000,000
	AGGREGATE				\$ 5,000,000	
	DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000				SIR	\$ 10,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					\$
					WC STATUTORY LIMITS	
					OTH-ER	
					E.L. EACH ACCIDENT	\$
					E.L. DISEASE - EA EMPLOYEE	\$
					E.L. DISEASE - POLICY LIMIT	\$
B	OTHER Installation Float	84UMMRF2392	05/09/03	05/09/04	2,500 Ded	150,000
	Contr. Equip.	84UMMRF2392	05/09/03	05/09/04	1,000 Ded	227,820

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
LEASED EQUIPMENT: \$100,000 - \$2,500 DEDUCTIBLE.

**CERTIFICATE HOLDER**  **ADDITIONAL INSURED; INSURER LETTER:**

ROCHESTER PUBLIC UTILITIES  
4000 E. River Rd. NE  
Rochester, MN 55906

**CANCELLATION**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
AUTHORIZED REPRESENTATIVE  
*W. Crest Demois*

# ACORD - CERTIFICATE OF LIABILITY INSURANCE

**PRODUCER**  
 CHARLES CRANE AGENCY  
 100 SOUTH FOURTH STREET STE 800  
 ST LOUIS MO 63102

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

**INSURED**  
 GERARD CHIMNEY CO.  
 4607 BECK AVENUE  
 ST LOUIS MO 63116-1605

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A:	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

**COVERAGES**  
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADDL INFO	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
						EACH OCCURRENCE	\$
		<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> <input type="checkbox"/> GENL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (In occurrence)	\$
		<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> RENTED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> <input type="checkbox"/>				COMBINED SINGLE LIMIT (In accident)	\$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/>				BODILY INJURY (Per person)	\$
		<b>UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				BODILY INJURY (Per accident)	\$
A		<b>EMPLOYER COMPENSATION AND STATUTE EMPLOYER LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe in what SPECIAL PROVISIONS below: OTHER	2H64645	2/1/04	2/1/05	PROPERTY DAMAGE (Per accident)	\$
						AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
						EACH OCCURRENCE	\$
						AGGREGATE	\$
						WC STATUTORY LIMITS	\$
						OTHER	\$
						EL. EACH ACCIDENT	\$ 500,000
						EL. DISEASE - EA EMPLOYEE	\$ 500,000
						EL. DISEASE - POLICY LIMIT	\$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

**CERTIFICATE HOLDER**  
 ROCHESTER PUBLIC UTILITIES  
 4000 RIVER ROAD NE.  
 ROCHESTER MIN 55906

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE

AGREEMENT  
FOR  
SILVER LAKE PLANT  
UNIT NO. 4  
CHIMNEY INSPECTION, PAINTING & REPAIRS - 2004

THIS AGREEMENT made this \_\_\_ day of \_\_\_\_\_, 2004, by and between the City of Rochester, Minnesota, a Minnesota municipal corporation, acting through its Public Utility Board, hereinafter called "City", and Gerard Chimney Co., a Missouri corporation, hereinafter called "Contractor".

WHEREAS, City has solicited a proposal from Contractor for Silver Lake Plant Unit No. 4 Chimney Painting & Repairs - 2004 described herein; and

WHEREAS, City desires to engage the services of Contractor according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the above premises and of the terms and conditions contained herein, the parties hereto agree as follows:

Article I. Scope of Services. Contractor shall furnish all labor, materials, equipment, and supervision required to repair, bridge cracks, and paint the exterior of the concrete shell of the chimney on Silver Lake Plant Unit No. 4.

Article II. Payment. City agrees to pay Contractor the sum of \$133,998.00 (ONE HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED NINETY-EIGHT AND NO/100 DOLLARS) for services described herein. Contractor may submit invoices for each phase of the project. In the event that Phase 2 work is not completed, contract price will be reduced by \$17,248.00 (SEVENTEEN THOUSAND TWO HUNDRED FORTY-EIGHT AND NO/100 DOLLARS). The Contractor shall submit invoices to the City for work completed and shall be paid the invoiced amount less a five percent (5%) retainer until the project is completed. Payment shall be in accordance with City procedures.

The final payment shall not become due until the Contractor has delivered to the City a complete release of all liens arising out of the work or receipts in lieu thereof, and in either case, an affidavit stating that so far as he has knowledge or information, the release and receipts include the payment in full for all the labor and material for which a lien could be filed. The Contractor shall deliver an executed copy of a Release and Indemnify Agreement and a signed copy of an affidavit for obtaining final settlement of contract with the State of Minnesota and any of its political or governmental subdivisions, Form IC-134.

Article III. Term. The term of this agreement shall commence on the date of this Agreement and shall continue for 100 calendar days.

Article IV. Compliance with Appropriate Regulations. Contractor shall comply with all federal, state, county, and municipal laws, ordinances, regulations and codes relating or applicable to the services to be performed under this Agreement.

Article V. Independent Contractor. Contractor is deemed an independent contractor for purposes of this Agreement and any and all persons employed by Contractor in the performance of any work or services required or provided for in this Agreement shall not be considered employees of City for any purpose whatsoever, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit, and any and all such claims shall be the sole obligation and responsibility of Contractor.

Article VI. Liability. Contractor shall indemnify, hold harmless and defend the City, and the Engineer, their officers, agents, and employees from any and all claims, damages, and liability of any kind arising out of any negligent or wrongful acts, errors, or omissions of the Contractor, its agents, employees, or subcontractors in performing work in connection with this project.

Article VII. Insurance. Contractor shall obtain, as a minimum, the following described types and limits of insurance coverage. All policies called for herein shall become effective before Contractor undertakes any work under this Agreement and shall remain in full force and effect for a minimum of 1 year after closing of this Agreement. Further, Company shall furnish City with an insurance certificate, or certificates at the time the agreement is consummated between the parties, evidencing such insurance coverage prior to work commencing on said project. Each of said certificates shall provide the following:

- A. A 30-day notice of cancellation and/or non-renewal.
- B. Statutory Worker's Compensation insurance including occupational disease coverage. Employer's liability insurance with limits of not less than \$500,000 per person.
- C. A comprehensive general liability policy with a Combined Single Limit (CSL) of \$500,000 bodily injury and property damage liability policy. The Broad Form Endorsement covering:
  - 1. Contractual Liability
  - 2. Broad Form Property Damage
  - 3. Personal Injury
- D. A \$5,000,000 umbrella policy to cover the excess above the underlying policies requested in this insurance section.
- E. A comprehensive automobile liability policy with a Combined Single Limit of \$500,000 bodily injury and property damage liability coverage, including hired and non-owned automobiles.

Article VIII. Termination. City reserves the right to terminate this agreement at any time it deems to be in the best interest of City to do so upon the giving of 7 days written notice to Contractor. Notice shall be effective upon depositing such notice in the U.S. mail by registered mail addressed to Contractor and cancellation shall take effect 7 days thereafter. If this Agreement is so terminated, City shall compensate and reimburse Contractor according to the terms hereof to the date of such termination.

Article IX. Performance Bond. The Contractor shall furnish the City a bond executed by the Contractor as principal and with such corporate surety as the City shall approve in the full amount of the contract, conditioned upon the full performance of all the work and full payment of all charges for labor and material or other charges or services rendered on, for, or in connection with the work, in accordance with Minnesota Statutes 574.26 and guaranteeing performance of the contract in accordance with its terms.

Article X. Assignability. Contractor shall not assign this Agreement or any part thereof without the prior written consent of City.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names the day and year first above written.

GERARD CHIMNEY CO.

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

CITY OF ROCHESTER

By \_\_\_\_\_  
Its Mayor

Attest \_\_\_\_\_  
Its City Clerk

ROCHESTER PUBLIC UTILITIES

By \_\_\_\_\_  
Its General Manager





## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the bid package received from Oak Park Chimney for failure to meet bid specifications.

BE IT FURTHER RESOLVED by the Public Utility Board, to approve a contract agreement with Gerard Chimney Co. and to request that the Mayor and the City Clerk to execute the agreement for

Silver Lake Plant Unit No. 4  
Chimney Painting Inspection & Repair

The amount of the contract agreement to be ONE HUNDRED THIRTY-THREE THOUSAND NINE HUNDRED NINETY-EIGHT AND 00/100 DOLLARS (\$133,998.00) and Gerard Chimney Co. being lowest responsible bidder.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27<sup>th</sup> day of April, 2004.

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President

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Secretary