

Item Number:

City of Grand Rapids
Agenda Action Request

DATE: March 25, 2025

TO: Mark Washington, City Manager

COMMITTEE: Community Development Committee

LIAISON: Mary Kate Berens, Deputy City Manager

FROM: Tim Burkman, City Engineer
Engineering

SUBJECT: Resolution awarding a contract with SPS Pro Plumbing, LLC for Replacement of Lead Service Lines at Various Locations Contract 2025-1 in the amount of \$2,925,737 with a total project cost not-to-exceed \$3,510,860

This project consists of the replacement of approximately 421 lead service lines between the water main and water meter with copper water services, including street, sidewalk and lawn restoration. The project includes streets in the NE, NW and SW quadrants of the City. The work is planned to begin this summer and be completed by the fall of 2026.

Bids were received on March 11, 2025 for this project. The engineer's estimate is \$3,509,860 and SPS Pro Plumbing, LLC (SPS) submitted a bid of \$2,925,737. Due to grant funding requirements, the bid discount program could not be utilized for the purpose of awarding the project. SPS will be utilizing subcontracting a total amount of \$333,195.

The attached resolution provides for the tentative award of the construction contract for this project to SPS in the amount of \$2,925,737 with total expenditures not to exceed \$3,510,860. This amount includes the costs of the construction contract, construction phase services by Moore & Bruggink, Inc. (M&B), administration, and contingencies.

This project is being financed by the State of Michigan's Drinking Water State Revolving Fund (DWSRF)/Michigan Finance Authority and the Water System Fund. This project is one of four projects funded by this DWSRF loan. The overall loan for these projects is estimated at \$19,000,000, of which up to \$4,068,000 in DWSRF traditional principal forgiveness is anticipated based on the final loan amount.

A budget request in the Water System Fund is necessary to finance this project and will be presented for consideration and approval at a future date.

cc: Amaad Hardy

Prepared by Jeff McCaul, Assistant City Engineer

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Item Number:

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Wayne Jernberg

Reviewed by O.E.E.

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Your COMMUNITY DEVELOPMENT COMMITTEE recommends the adoption of the following resolution tentatively awarding a contract to SPS Pro Plumbing, LLC and authorizing expenditures in connection with Replacement of Lead Service Lines Contract 2025-1.

WHEREAS, bids were received on March 11, 2025 for the following project:

Replacement of Lead Service Lines Contract 2025-1
(hereinafter referred to as the "Project")

And SPS Pro Plumbing, LLC (SPS) submitted a bid of \$2,925,737 for which the engineer's estimate is \$3,509,860; therefore

RESOLVED:

1. That the City tentatively awards the construction contract for the Project to SPS, contingent upon successful financial arrangements with the Michigan Finance Authority (MFA) through the State Revolving Fund Program.
2. That the bid of SPS be accepted and that, upon completion of financing with MFA and upon approval as to form by the City Attorney, the Mayor is authorized to execute a contract with SPS in the amount of \$2,925,737 for the Project on behalf of the City, which execution shall constitute the award of the contract.
3. All resolutions or parts of resolutions in conflict herewith shall be, and the same are, rescinded.
4. That total expenditures for the Project be authorized in an amount not to exceed \$3,510,860 which includes the costs of the construction contract, construction phase services by Moore & Bruggink, administration, and contingencies. Said amount of \$3,510,860 to be charged to the applicable Water System Codes.
5. That the City Comptroller is hereby authorized and directed to make payment, in amounts and to said payees, as the City Engineer or his designee requests in connection with the Project.
6. That the City of Grand Rapids, pursuant to Section 1.150-2 of the Treasury Regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended, declares its intent to reimburse itself the costs of the Project and other related costs in an amount not to exceed \$3,510,860 (Water System Fund) through the issuance of tax-exempt bonds.
7. That a copy of this resolution be available for inspection at the City Clerk's Office, 2nd Floor, City Hall, 300 Monroe Avenue N.W., Grand Rapids, Michigan 49503.

CORRECT IN FORM



DEPARTMENT OF LAW