

City of Fayetteville Staff Review Form

2020-0952

Legistar File ID

11/17/2020

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Andrea Foren

10/28/2020

PURCHASING (160)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Staff recommends (1) an ordinance to waive competitive bidding for repairs to a City owned pump station located at 17970 Lake Sequoyah in the amount of \$29,750 with Multi-Craft Contractors, Inc. plus a 10% contingency, (2) the Mayor's signature for Release of Property Damage Only relating to damages caused by a motor vehicle accident mentioned pump station and (3) acceptance of insurance funds in the amount of \$25,000.00 from Equity Insurance.

Budget Impact:

5400.720.4310-5311.04	Water & Sewer																														
Account Number	Fund																														
N/A	N/A																														
Project Number	Project Title																														
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V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # Res. 199-15

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF: NOVEMBER 17, 2020

TO: Mayor and City Council
THRU: Paul A. Becker, Chief Financial Officer
FROM: Andrea Foren, Purchasing Manager
DATE: Wednesday, October 28, 2020

SUBJECT: Mayor's Signature on Release for Property Damage, Acceptance of Insurance Funds in the amount of \$25,000.00, and bid waiver for repairs

RECOMMENDATION:

Staff recommends (1) an ordinance to waive competitive bidding for repairs to a City owned pump station located at 17970 Lake Sequoyah in the amount of \$29,750 with Multi-Craft Contractors, Inc. plus a 10% contingency, (2) the Mayor's signature for Release of Property Damage Only relating to damages caused by a motor vehicle accident mentioned pump station and (3) acceptance of insurance funds in the amount of \$25,000.00 from Equity Insurance.

BACKGROUND:

On July 30, 2020, a truck towing a boat on a trailer was leaving Lake Sequoyah. As the driver began negotiating a curve, the boat trailer came unhitched from the vehicle and left the roadway. The boat and trailer struck the City's pump station/utility shed located at 17970 Lake Sequoyah Dr, causing substantial damage to the structure. The party driving the truck was found to be at fault.

DISCUSSION:

The Purchasing Division notified the at fault party's insurance, Equity Insurance, and a claim was filed. Repairs from Multi-Craft Contractors is estimated at \$29,750.00. Equity Insurance is allowing the maximum for their policy, which is \$25,000.00.

The City has received a quote from Multi-Craft Contractors, Inc. in the amount of \$29,750. A bid waiver is requested since repairs are needed immediately to secure the City's pump station and it is not practical or feasible to obtain formal sealed bids.

In order to receive the \$25,000 from the at fault party, Equity Insurance is requiring the City to sign a Release of Property Damage for Kaylee Howard, the at fault party.

Once the release is signed, insurance proceeds will be issued to the City for \$25,000.00 and repairs will be made. Pending no unknown damages, the City will incur expenses in the amount of \$4,750 due to the variance between the insurance proceeds and cost for Multi-Craft Contractors, Inc. to make repairs to the facility.

The decision to bring this item forward and accept the insurance settlement and signing of release was reviewed and recommended by the City Attorney's Office.

BUDGET/STAFF IMPACT:

Expenses for repairs will be paid for by Water & Sewer

Attachments:

- Staff Review Form
- Equity Insurance Re: Kaylee Howard, Release for Property Damage Only, Form ID# 2008-239734-86-S related to the sum of \$25,000.00
- Multi-Craft Contractor's, Inc. Quote# 20QM09111402 in the amount of \$29,750.00.



September 11, 2020

Quote: 20QM09111402

City of Fayetteville
Water and Sewer Division
Fayetteville, AR 72701
Attn: Aaron Watkins

479-575-8203

jwatkins@fayetteville-ar.gov

RE: Purchase New & Replace Old Pressure Booster Station Enclosure @ 17970 Lake Sequoyah Drive

The Mechanical division of Multi-Craft Contractors, Inc. is pleased to present the following proposal.

Scope of work:

Provide labor, equipment, and materials to:

- Purchase new enclosure made from composite materials and purchased through ShelterWorks as recommended.
- Disconnect all necessary electrical and mechanical utilities to allow damaged structure to be removed & hauled off.
- Install new structure with sealant onto existing concrete pad and reconnect all mechanical and electrical utilities.
- Provide and install new generator panel.

Total Price: \$29,750.00

Notes: Re-use of some existing materials, conduits and wiring will be necessary.

Exclusions: Any responsibility for design and/or engineering as enclosure was pre-selected by end user.

This price is based upon all work being performed during normal daytime business hours. Above stated price is valid for thirty (30) days.

We appreciate this opportunity to be of service to you. If you have any questions, please contact us.

Sincerely,

Cory Teff
Mechanical Estimator/Project Mgr.
cdt@multi-craft.net
PH: 479-236-8408

Notice to Proceed

Please provide written acceptance of this proposal via approval signature below, or purchase order referencing the proposal number herein.

Payment Terms

Purchaser agrees to pay Multi-Craft Contractors, Inc. for the performance of the work as set forth herein, subject to revision via written change orders signed by both parties. Credit card payments will be subject to added 3% convenience fee. Final payments due **in full** no later than 30 days from **invoice** date. Payments due and invoices unpaid shall bear interest at the maximum lawful rate. Terms as follows:

- Balance due net 30 days

Warranty and Exclusions

Multi-Craft Contractors, Inc. warrants to Purchaser that materials and equipment furnished described within this quote will be of good quality and new unless otherwise required or permitted; that the work will be free from defects not inherent in the quality required or permitted, and that the work will conform to the requirements of this quoted project. Components not manufactured but furnished by Multi-Craft Contractors, Inc. as part of its equipment (i.e. motors, starters, thermostats, controls, etc.) will be warranted by Multi-Craft Contractors, Inc. only to the extent of the component manufacturer’s warranty scope and period, or for a period of one year from the date of commissioning, whichever term expires first. Multi-Craft Contractors, Inc.’s warranty excludes remedy for damage or defect caused by abuse or modifications by any other party, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage.

Multi-Craft Contractors, Inc. shall not be liable to the Purchaser or its customers for incidental or consequential damages whether in contract, tort, negligence, or strict liability, including but not limited to, loss of profits or revenues, loss of use of the equipment or any associated equipment, cost of substitute equipment, downtime costs, increase in cost of operation, loss of product or materials, or any other special or consequential loss or damages.

WARRANTY PERIOD UNDER THE PROVISIONS MADE HEREIN IS ONE YEAR FROM THE DATE OF COMMISSIONING UNLESS OTHERWISE NOTED, AND VALID ONLY IN THE CONTIGUOUS UNITED STATES

Disputes

Disputes arising out of or in relation to this document which cannot be resolved first through direct discussion between parties involved, shall be decided by arbitration at the location of the project or Multi-Craft Contractors Inc.’s office at Multi-Craft Contractors Inc.’s discretion, and shall be governed by Arkansas law. This agreement is severable, and any part deemed unenforceable shall not render the remaining parts unenforceable.

Authorized Purchaser & Title

Acceptance Date

Purchase Order Number

RELEASE FOR PROPERTY DAMAGE ONLY

KNOW ALL MEN BY THESE PRESENTS, that the Undersigned do(es) hereby acknowledge receipt of :
Twenty-five thousand dollars and 00/100 Dollars \$25,000.00

which sum is accepted in full compromise settlement and satisfaction of, and as sole consideration for the final release and discharge of all actions, claims and demands whatsoever, that now exist, or may hereafter accrue, against
Kaylee Howard

and any other person, corporation, association or partnership charged with responsibility for **PROPERTY DAMAGE** to the property of the Undersigned, and the treatment thereof, and the consequences flowing therefrom, as the result of an accident, casualty or event which occurred on or about the
30 day of July 2020 at or near Fayetteville, AR 72701

and for which the Undersigned claims the above named persons or parties are legally liable in damages; which legal liability and damages are disputed and denied; and

The Undersigned warrants that no promise or inducement has been offered except as herein set forth; that this Release is executed without reliance upon any statement or representation by the person or parties released, or their representatives concerning the nature and extent of the property damages and/or legal liability therefore; and that the Undersigned is of legal age, legally competent to execute this release and accepts full responsibility therefor; and

The Undersigned acknowledge(s) notice that this settlement is made without the written consent of those hereby released, who are not thereby precluded from further assertion of claims against the undersigned.

The Undersigned agrees, as a further consideration and inducement for this compromise settlement, that it shall apply to all unknown and unanticipated property damages resulting from said accident, casualty or event, as well as to those now disclosed.

I have carefully read and understand the foregoing release.

Signed and Sealed this _____ day of _____ 20____ at _____

Witness Name _____

Claimant _____

Address 113 W. Mountain

Print Name Mayor Lioneld Jordan

Fayetteville, AR 72701

Spouse / Other _____

Address _____

Print Name _____

"WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony."