



**CITY OF GLENDALE, CALIFORNIA
REPORT TO THE CITY COUNCIL**

AGENDA ITEM

Report: Contract Award for the Glendale Heights Tank Replacement Project, Specification No. 3803R and Plan No. 6888-ER

1. Motion authorizing the City Manager, or her designee, to enter into and execute a contract with Canyon Springs Enterprises dba RSH Construction Services, of Hemet, California for the Glendale Heights Tank Replacement Project (Specification No. 3803R and Plan No. 6888-ER), in the amount of \$1,481,000 plus a fifteen percent (15%) contingency of \$222,150.
2. Resolution of Appropriation for \$453,150.

COUNCIL ACTION

Item Type: Consent Calendar

Approved for October 13, 2020 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Prepared by:

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Reviewed by:

Michele Flynn, Director of Finance
Roubik R. Golanian, P.E., Assistant City Manager
Michael J. Garcia, City Attorney

Approved by:

Yasmin K. Beers, City Manager

RECOMMENDATION

Glendale Water and Power (GWP) staff respectfully recommends that the City Council authorize the City Manager, or her designee, to enter into and execute a contract with Canyon Springs Enterprises dba RSH Construction Services, of Hemet, California for the Glendale Heights Tank Replacement Project (Specification No. 3803R and Plan No. 6888-ER), in the amount of \$1,481,000 plus a fifteen percent (15%) contingency of \$222,150, and approve a Resolution of Appropriation for \$453,150 to fund the project.

BACKGROUND

The City of Glendale's potable water system contains 28 tanks and reservoirs that are located throughout the City. GWP staff inspects and maintains these reservoirs and tanks on a routine schedule following the American Water Works Association (AWWA) guidelines. Depending on the condition of the facility, minor repairs and modifications can be completed, major repairs may be needed, or in some cases, a complete asset replacement is needed.

The current Glendale Heights Tank was constructed in 1990. The tank is a bolted steel tank that is 32 feet tall with a diameter of 42 feet, with a storage volume of 315,000 gallons of water.

In August 2016, Harper & Associates Engineering, Inc. (HAE), a specialized tank consulting firm, was hired by GWP to conduct a field investigation of the Glendale Heights Tank to observe the condition of the interior and exterior surfaces of the tank. During the field investigation and tank inspection, severe corrosion was observed on the internal roof surfaces and structural members of the tank. Those areas of older steel tanks are prone to corrosion because of the wet and dry cycles of water vapor inside of the tank condensing and then drying on the roof beams during the day. In consultation with HAE, GWP Water Engineering staff determined that it would be more economical to replace the tank, rather than repair and recoat the existing tank because of the extent of the structural damage. As a safety precaution, the roof of the tank is currently "off limits" for GWP personnel because of the damage.

The project scope of work involves replacing the existing bolted steel water storage tank with a new welded steel water storage tank, installing new piping around the tank to separate the inlet and outlet piping to promote water circulation, installing a staircase instead of a ladder in order to more safely access that tank roof for inspections, and replacing the existing fencing. Specification No. 3803 and Plan No. 6888-E for the Glendale Heights Tank Replacement Project (Project) was completed in March 2019.

On April 9, 2019, the City Council approved and adopted Specification No. 3803 and Plan No. 6888-E for the Project, and directed the City Clerk to advertise for bids. Only one bid proposal was received, and the bid price was significantly higher than the Engineer's estimate. GWP did not award the contract and postponed the project to Fiscal Year 2020-2021.

In an attempt to increase the number of contractors capable of bidding on the project, and to update the plans to incorporate building code changes and changes to the site drainage, GWP, with the assistance of HAE, updated the Plan No. 6888-ER and Specification No. 3803R in April 2020.

On July 28, 2020, the City Council approved Resolution No. 20-115 to adopt the revised Specification No. 3803R and Plan No. 6888-ER for the Project, and directed the City Clerk to advertise for bids. The Notice Inviting Bids (NIB) for the Project was published in the Glendale Independent Newspaper on August 4th and 6th, 2020. The Project was also advertised on eBidBoard, a construction services company, from August 3, 2020 to August 26, 2020. eBidboard, in turn, sent the NIB to several other project posting sites that do not require a subscription including:

- Avis Contractor School
- Bid America
- Blueprint Express
- Construction Data Corp
- Contractor’s Information Network
- Daily Construction Market Data
- Direct Connection
- F.W. Dodge

The NIB was also posted on the City’s website.

On August 12, 2020, a mandatory Pre-Bid Meeting and Job Walk were conducted at the project site, and GWP staff explained the scope of the project and answered questions from prospective bidders. There were twelve prospective bidders in attendance at the mandatory Pre-Bid Meeting.

During the course of the bidding period, one addendum was issued to address bidders’ questions and to clarify requirements in the specifications.

On August 26, 2020, the City received three bids for the Project under Specification No. 3803R.

Rank	Bidder	Bid Amount
1	Canyon Springs Enterprises dba RSH Construction Services	\$1,481,000
2	Crosno Construction Inc.	\$1,682,847
3	Masters Contracting Corp.	\$2,184,700

Upon review of the bid documents, GWP staff found Canyon Springs Enterprises dba RSH Construction Services, of Hemet, California, to be the lowest responsive bidder. Their bid amount of \$1,481,000 was 1.27% below the updated Engineer’s Estimate which was \$1,500,000. Canyon Springs Enterprises dba RSH Construction Services’ bid has been checked for completeness and found to be in compliance with the bidding requirements set forth in Specification No. 3803R and Plan No. 6888-ER.

Staff checked the State of California Contractor's License Board and confirmed that Canyon Springs Enterprises dba RSH Construction Services, of Hemet, California has a license that is current, active and in good standing.

GWP staff respectfully recommends a reserve of fifteen percent (15%), or \$222,150, for contingencies for the Project. This amount is based on previous experience and is commensurate with the nature and conditions of the Project. It will also allow GWP to account for any incidental work or unforeseen field conditions that could be encountered during construction and the resulting field changes that may be necessary.

The construction of the project is anticipated to begin in January 2021 and is to be completed by December 2021. Temporary water tanks will be placed onsite and utilized during the construction of the new Glendale Heights Water Tank to avoid service interruptions.

The replacement of the existing water storage tank with a new welded steel water storage tank will substantially increase the life span and reliability of the storage facility due to the limited corrosion points compared to a bolted steel tank. The replacement project will also improve the safety features of the water tank.

This project is categorically exempt from the California Environmental Quality Act (CEQA) review as a Class 2: Replacement or Reconstruction project pursuant to the California Code of Regulations, Title 14, Section 15302.

FISCAL IMPACT

The original Engineer's cost estimate for the construction work before the COVID-19 pandemic was approximately \$1,250,000. GWP Water Division Capital Improvement Program budget for Fiscal Year 2020-21 had ensured those funds available in Contractual Services, Water Depreciation Fund, GWP Projects, WS Glendale Heights Tank Replacement (43110-5930-GWP-0020-P0000-T0000-F4300-0000-0000 - Munis PL Account 31001-CNTRCTSVCS-4301).

As stated in the Report to the City Council in the July 28, 2020 Council Meeting, GWP staff had re-evaluated and updated the Engineer's estimate for construction work to \$1,500,000 due to the uncertainty of the COVID-19 pandemic impact to the construction cost. The lowest responsive bid amount is \$1,481,000.

Staff respectfully requests that City Council approve the Resolution of Appropriation to transfer funds from Net positions, Water Surplus Fund, Glendale Water & Power Account (27900-5910-GWP-0000-P0000-T0000-F0000) to Contractual Services, Water Depreciation Fund, GWP Projects, WS Glendale Heights Tank Replacement (43110-5930-GWP-0020-P0000-T0000-F4300-0000-0000 - Munis PL Account 31001-CNTRCTSVCS-4301) in the amount of \$453,150 because the increase in construction cost due to the COVID-19 pandemic was not budgeted in the 2020/2021 budget.

ALTERNATIVES

Alternative 1: The City Council may elect to authorize the City Manager, or her designee, to enter into and execute a contract with Canyon Springs Enterprises dba RSH Construction Services, of Hemet, California for the Glendale Heights Tank Replacement Project (Specification No. 3803R and Plan No. 6888-ER), in the amount of \$1,481,000 plus a fifteen percent (15%) contingency of \$222,150, and approve a Resolution of Appropriation for \$453,150 to fund the project.

Alternative 2: The City Council may elect not to award the contract as recommended herein, which will result in postponement of the project, and increase the risk of a failure of the existing tank roof resulting in a disruption in service to the area served by the tank for several days until temporary measures can be put in place pending the construction of a new tank.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

Not applicable.

EXHIBIT(S)

Not applicable.