



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

### **AGENDA ITEM**

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Report: Contract Award for the Rehabilitation of the Emerald Isle 1666 and Glendale Recycled Water Tanks.

- 1) Motion authorizing the City Manager, or his designee, to enter and execute a contract with Advanced Industrial Services, Inc., of Los Alamitos, California for the Emerald Isle 1666 Tank and Glendale Recycled Water Tank Rehabilitation Project (Specification No. 3934 and Plan No. 6960-E), in the amount of \$1,375,800 plus a ten percent (10%) contingency of \$137,580.
  
- 2) Resolution of Appropriation for \$925,000.

### **COUNCIL ACTION**

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**Item Type:** Consent Calendar

**Approved for** January 10, 2023 **calendar**

### **EXECUTIVE SUMMARY**

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Glendale Water & Power (GWP) is seeking the City Council authorization to execute a contract with Advanced Industrial Services, Inc. to rehabilitate the Emerald Isle 1666 Potable Water Tank and Glendale Recycled Water Tank, and to approve a Resolution of Appropriation for \$925,000 to fund the project. On November 2, 2022, GWP received two bid proposals. After thorough review of the two bid proposals, GWP staff found Advanced Industrial Services, Inc. to be the lowest responsive bidder.

### **COUNCIL PRIORITIES**

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Environmental Stewardship: The Glendale Recycled Water Tank Rehabilitation improves reliability of the recycled water supply to the community, which allows GWP to continue serving recycled water to customers and continue conservation of potable water.

Infrastructure: Aging infrastructure in the City's water system is replaced or rehabilitated on a planned and ongoing basis. The Emerald Isle 1666 Tank and Glendale Recycled Water Tanks Rehabilitation Project is part of the Water Storage Facility Rehabilitation Program that ensures reliable service now and for future generations. The updated safety features at the water storage tanks also improves safety for City staff when they access the tanks.

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## **RECOMMENDATION**

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Authorize the City Manager to enter into and execute a contract with Advanced Industrial Services, Inc., of Los Alamitos, California for the Emerald Isle 1666 Tank and Glendale Recycled Water Tanks Rehabilitation Project in the amount of \$1,375,800 plus a ten percent contingency of \$137,580 and approve a Resolution of Appropriation for \$925,000 to fund the project.

## **BACKGROUND**

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The City of Glendale owns and operates 28 potable water reservoirs/tanks and five recycled water tanks in the water system. During regular inspections, some tanks are found to need repairs to extend their service life and comply with current safety standards.

In July 2016, the City hired Harper & Associates Engineering (Harper) to evaluate a number of welded steel water storage tanks for both the potable and recycled water systems. Harper prepared evaluation reports outlining the condition of the tank coating systems and with recommendations to repair and/or upgrade structural and safety deficiencies. The evaluation reports also included interior and exterior photographic surveys and laboratory analysis on the chemical components of the existing coatings. Based on the findings and recommendations, the GWP Water Division has implemented a capital improvement program to systematically rehabilitate these water storage tanks. Emerald Isle 1666 Potable Water Tank and Glendale Recycled Water Tank have been selected for rehabilitation in Fiscal Year 2022-2023.

The proposed work at the selected tanks includes abrasive removal of existing paint, application of new coating systems, structural repairs, and installation of new safety features.

On September 27, 2022, the City Council adopted Specification No. 3934 and Plan No. 6960-E for the Emerald Isle 1666 and Glendale Recycled Water Tanks Rehabilitation Project (Project) and directed the City Clerk to advertise for bids.

On October 19, 2022, a mandatory Pre-Bid Meeting and Job Walk were conducted at both project sites. GWP staff explained the scope of the project and answered questions from prospective bidders. There were five prospective bidders in attendance at the mandatory Pre-Bid Meeting.

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

## **ANALYSIS**

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To ensure competitive bids, the Notice Inviting Bids (NIB) for the Project was published in the Glendale Independent Newspaper on October 13, 2022, and October 17, 2022, prior to bid opening. The project was also advertised on the eBidBoard, a construction services company, from October 10, 2022, to November 2, 2022. In turn, eBidBoard sent the project advertisement to several other project posting sites that do not require a subscription (i.e., Bid America, Blueprint Express, Construction Data Corp, Direct Connection, F.W. Dodge, etc.) The project was also posted on the GWP website and City's BID webpage.

On November 2, 2022, the City received two bids for the Project under Specification No. 3934.

Rank	Bidder	Bid Amount
1	Advanced Industrial Services, Inc.	\$1,375,800
2	Utility Service Co., Inc.	\$1,482,960

Upon review of the bid documents, GWP staff found Advanced Industrial Services, Inc., of Los Alamitos, California, to be the lowest responsive bidder. Their bid amount of \$1,375,800 is above the updated Engineer’s Estimate \$950,000 due to substantial increase in materials, fuel, and labor costs. From the review of the two bid proposals, GWP observed that the major price increases occur at the interior coating and exterior painting which drove up the cost on both Bid Schedule A and C. Both Advanced Industrial Services, Inc. and Utility Service Co., Inc. pricing are very close to each other. It shows that both bidders provided competitive pricing that reflects the current market trend, and the interior coating and exterior painting costs have increased significantly, even higher than what GWP estimated in the updated engineer’s estimate.

Advanced Industrial Services, Inc.’s bid has been checked for completeness and found to be in compliance with the bidding requirements set forth in Specification No.3934 and Plan No. 6960-E.

Staff checked the State of California Contractor’s License Board and confirmed that Advanced Industrial Services, Inc., of Los Alamitos, California has a license that is current, active and in good standing.

The construction of the project is anticipated to begin in March 2023 and is to be completed by February 2024. Temporary water tanks will be placed at the Glendale Recycled Water Tank site and utilized during construction to avoid service interruption.

### CONTRACT DASHBOARDS

<b>Project Description:</b>	Emerald Isle 1666 Potable Water Tank and Glendale Recycled Water Tank Rehabilitation
<b>Plans/Specs Adopted:</b>	September 27, 2022
<b>Advertisement Method:</b>	Glendale Independent newspaper and online bidding distribution website eBidBoard.com, GWP website, City’s BID webpage
<b>Specs Issued:</b>	October 10, 2022
<b>Bids Opened</b>	November 2, 2022
<b>Company Name(s) and Proposal Amount(s):</b>	<ul style="list-style-type: none"> <li>• Advanced Industrial Services, Inc.</li> <li>• Utility Service Co., Inc.</li> </ul>
<b>Recommended Contractor(s):</b>	<ul style="list-style-type: none"> <li>• Advanced Industrial Services, Inc.</li> </ul>
<b>New / Existing Contractor(s):</b>	New
<b>Procurement Method (Bid / SS):</b>	Bid

<b>Contract Term:</b>	One Year
<b>Construction Phase Begins:</b>	March 2023
<b>Construction Phase Ends:</b>	February 2024

### **STAKEHOLDERS/OUTREACH**

During construction there will be some noise and minor ground vibration from the movement of construction vehicles. Water service to customers will not be interrupted throughout the construction phase. GWP will reach out to the residents adjacent to the project sites via letter to inform them about the project and potential impacts.

### **FISCAL IMPACT**

The original engineer’s estimate for the construction work of this project at the planning stage was between \$400,000 and \$500,000, which was approved as a part of the Fiscal Year 2022-23 budget. The additional appropriation to the budget will fund this contract, as well as internal labor and outside consulting assistance that needs to be capitalized as part of this project.

As stated in the report to the City Council on September 27, 2022, GWP staff re-evaluated and updated the engineer’s estimate for construction work to \$950,000 due to the COVID-19 pandemic impact to the construction costs. However, the lowest responsive bid amount is \$1,375,800. Due to the substantial increase in material and labor costs, additional cost for inspection services, and the finalization of the scope during the design phase, staff is requesting for an appropriation of \$925,000 from the Water Surplus Fund Balance to fund the contract amount and specialized consultants. The existing appropriation and request for appropriation is outlined below:

<b>Existing Appropriation</b>			
<b>Amount</b>	<b>Account String</b>		<b>Funding Source</b>
\$599,137	GL:52100-5930-GWP-0020-P0000-PL:GWP00669AA		Water Depreciation Fund
<b>Requesting Appropriation</b>			
<b>Amount</b>	<b>From (Account String)</b>	<b>To (Account String)</b>	<b>Funding Source</b>
\$925,000	GL:27900-5910-GWP-0000-P0000-	GL:52100-5930-GWP-0020 PL:GWP00669AA	Water Surplus Fund

## **ENVIRONMENTAL REVIEW**

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This project is categorically exempt from the California Environmental Quality Act (CEQA) review as a Class 1: Existing Facilities pursuant to the California Code of Regulations, Title 14, Section 15301.

## **CAMPAIGN DISCLOSURE**

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Not Applicable.

## **ALTERNATIVES**

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Alternative 1: Authorize the City Manager to enter into and execute a contract with Advanced Industrial Services, Inc., for the Emerald Isle 1666 and Glendale Recycled Water Tanks Rehabilitation Project in the amount of \$1,375,800 plus a ten percent contingency of \$137,580 and approve a Resolution of Appropriation for \$925,000 to fund the project.

Alternative 2: Do not award the contract as recommended herein, which will result in postponement of the project, with the probable impact of increasing the risk of further protective coating deterioration, structural failure, and potentially increasing the cost of the project when it is completed in the future.

Alternative 3: Consider any other alternative not proposed by staff.

## **ADMINISTRATIVE ACTION**

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**Prepared by:**

Michael E. De Ghetto, Chief Assistant General Manager – Water

**Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS / ATTACHMENTS**

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None.