



## SUMMARY REPORT

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**Agenda Date:** 7/23/2019

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**To:** Board of Directors, Sonoma County Water Agency  
**Department or Agency Name(s):** Sonoma County Water Agency  
**Staff Name and Phone Number:** Steve Koldis 547-1914  
**Vote Requirement:** 4/5th  
**Supervisory District(s):** Fifth

**Title:**

Forestville Tanks No. 1 and No. 2 Protective Coating Removal and Replacement - Contract Award

**Recommended Action:**

In order to maintain the structural integrity of Forestville's water supply systems:

- A) Adopt and approve the Project Manual and Drawings ("plans and specifications") entitled "Forestville Tanks No. 1 and No. 2 Protective Coating Removal and Replacement."
- B) Authorize the Chair to execute the contract with Olympus and Associates, Inc. for \$1,048,875 through June 4, 2020 for construction of the Forestville Tanks No. 1 and 2 Protective Coating Removal and Replacement.
- C) Delegate to the General Manager of Sonoma County Water Agency or his designee the authority to approve design changes to the Project as may be necessary or appropriate in connection with change orders within the General Manager's authority pursuant to Resolution No. 04-0547.
- D) Authorize the General Manager of Sonoma County Water Agency to sign Document 00650 (Agreement and Release of Any and All Claims), with County Counsel review, if any unresolved claims are listed by the contractor.
- E) Adopt a Resolution authorizing adjustments to the Board Adopted Budget for Fiscal Year 2019-2020 for the Sonoma County Water Agency, in the amount of \$1,048,875 for the Forestville Tanks No. 1 and No. 2 Protective Coating Removal and Replacement. (4/5<sup>th</sup> vote)

**Executive Summary:**

In 2014, Sonoma Water conducted a condition assessment of the Forestville water storage tanks. This assessment was conducted under water by scuba divers while the tanks were fully operational. The assessment included tank cleaning, a video inspection, photographic documentation, and a report. The report concluded that the tank coating was failing and corrosion of the steel beneath was observed. While an intact coating system will indefinitely protect the integrity of the steel tanks, a failing coating system will result in corrosion and reduction of wall thickness compromising its structural integrity.

This item requests approval of a contract with Olympus and Associates, Inc. for \$1,048,875 for construction of Forestville Tanks No. 1 and No. 2 Protective Coating Removal and Replacement.

**Discussion:**

**HISTORY OF ITEM/BACKGROUND:**

The Sonoma County Water Agency (Sonoma Water) constructed, owns and operates Forestville Tanks Number

1 and Number 2 Located on Anderson Rd in Forestville California. Tank No. 1 is a 300,000-gallon tank constructed in 1961. Tank No. 2 is a 1,000,000-gallon tank constructed in 1992.

Both tanks were last coated in 1993. Historically, coating systems were expected to last from 20-25 years. After 25 years, tanks undergo a full cleaning, blasting and recoat. These tanks have reached the point where recoating is necessary.

In September 2015, the Sonoma Water contracted with DB Gaya Consulting LLC to assist in preparing construction specifications for the coating system.

A Notice of Exemption for the project was posted at the County Clerk's office June 7, 2018.

Forestville Tanks No. 1 and No. 2 Protective Coating Removal and Replacement Project (Project) consists of removal and replacement of protective coatings on two above-grade welded steel potable water storage tanks located at 5848 Anderson Road, in an unincorporated area of Forestville, California. The Project work includes, but is not limited to, the removal of internal epoxy coating, removal of loose exterior paint, recoating of the interior and exterior of the tanks, removal of existing cathodic protection system, installation of a new cathodic protection system, replacement of air vents, drain pipe replacement, overflow pipe modifications, cabinet removal, roof penetration repair, and the addition of an occupancy sensor. Work shall be completed within 270 days from the date when contract time commences to run. Bidding documents contain the full description of the Project work.

The Project was advertised for bids : 05/01/2019

Bids were opened: 06/11/2019

Bids for construction of said Project were received on June 11, 2019, as follows:

Advanced Industrial Services, Inc., Los Alamitos, CA	\$1,109,300
Euro Style Management, Inc., North Highlands, CA	\$1,342,500
Farr Construction Corp. dba Resource Development, Sparks, NV	\$1,337,545
Olympus and Associates, Inc., Reno, NV	\$1,048,875

The Engineer's Estimate was \$1,211,913.

The lowest responsive and responsible bid is from Olympus and Associates, Inc. and is \$163,038 below the Engineer's Estimate. Olympus and Associates, Inc. is experienced in this type of construction and met the experience requirements.

Pursuant to Resolution No. 04-0547, the General Manager maintains authority to approve change orders to construction contracts approved by your Board of up to \$50,000 each, provided the change order doesn't

affect the material character of the work and the need for the change order results from unforeseen matters which are discovered after the contract was awarded and such modifications are necessary or advisable to complete the project in a timely and efficient manner. In the unlikely event that significant design-related changes are necessary to complete the Project, staff will return to your Board to approve such changes. However, staff request that your Board authorize the General Manager or his designee to approve design changes as may be necessary or appropriate in connection with change orders within the General Manager's authority pursuant to Resolution No. 04-0547.

A contractor must execute a release of claims (Document 00650) before final payment but may except any unresolved claims from the release. The requested action authorizes the General Manager to approve the release unless the contractor lists unresolved claims. In that case, County Counsel must review Document 00650 prior to General Manager approval.

Construction on the Project is scheduled to begin approximately September 9, 2019, with an estimated completion date of June 4, 2020.

#### **ALTERNATIVES**

Non-approval will delay routine maintenance activities that needs to occur on metal water storage reservoirs to preserve the integrity of the steel structure. Failure to award this contract may result in a compromised steel storage tank that could fail and require full replacement in the future.

#### **Prior Board Actions:**

02/25/1992: Approved plans and specifications for the Protective Coatings for Forestville Reservoirs #1 & #2, Russian River-Cotati Intertie Proj., and authorizing advertisement for bids.

10/16/1990: Approved plans and specifications for Forestville Reservoir #2, and authorizing advertisement for bids.

09/19/1989: Res of BOD of SCWA determining that the Forestville Reservoir #2 with connecting pipeline and booster station project will not have a significant effect on the environment, approving project, adopting the mitigation monitoring plan and authorizing filing of Notice of Determination.

05/08/1961: Res of BOD of Sonoma County Flood Control and Water Conservation District approving plans and specifications and authorizing advertisement for bids for construction of Russian River Project - Forestville Reservoir No. 1.

#### **FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested	\$1,048,875		
<b>Total Expenditures</b>	<b>\$1,048,875</b>		
<b>Funding Sources</b>			

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General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$1,048,875		
Contingencies			
<b>Total Sources</b>	<b>\$1,048,875</b>		

**Narrative Explanation of Fiscal Impacts:**

Additional appropriations of \$1,048,875 are required to process this expense. With Board approval, unused appropriations budgeted in FY 2018/2019 and rolled over to FY 2019/2020 will be made in the Water Transmission Fund pursuant to the attached budgetary resolution. This fund is anticipated to have approximately \$8.7 Million in Fund Balance as of 6/30/2020.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

None.

**Attachments:**

Resolution

Contract

**Related Items "On File" with the Clerk of the Board:**

[<https://prod1.evo.cloud/scwa/dashboard/bid/download\\_bid\\_upload\\_file/1503/>](https://prod1.evo.cloud/scwa/dashboard/bid/download_bid_upload_file/1503/)

[<https://prod1.evo.cloud/scwa/dashboard/bid/download\\_bid\\_upload\\_file/1504/>](https://prod1.evo.cloud/scwa/dashboard/bid/download_bid_upload_file/1504/)