



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 16-0550, Version: 1

REPORT TO COUNCIL

SUBJECT

Award of Bid No. PW16-14 for Mary-Carson Water Tank No. 1 Refurbishment and Finding of CEQA Categorical Exemption

REPORT IN BRIEF

Approval is requested to award a construction contract in the amount of \$799,000 to Blastco Inc. of Downey for the Mary-Carson Water Tank No. 1 Refurbishment project (Public Works Project No. UW-14/02-15). Approval is also requested for a 15% construction contingency in the amount of \$119,850. A construction contingency higher than the customary 10% is requested because of the potential for unforeseen repairs due to the current condition and age of the tank.

EXISTING POLICY

Section 1309 of the City Charter requires public works construction contracts to be awarded to the lowest responsive and responsible bidder.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) determination for this project is a Class 1 categorical exemption pursuant to CEQA Guidelines Section 15301 for alterations to existing facilities involving negligible or no expansion of existing use beyond that which presently exists.

BACKGROUND AND DISCUSSION

The Mary-Carson Water Plant is located at 155 South Mary Avenue. The facility consists of two (2) five-million gallon steel water tanks that were constructed in 1966. A seismic vulnerability assessment was completed in 2004 and an interior inspection done in 2013. The assessment concluded that, in the event of a major earthquake, the water tanks would be vulnerable to structural damage and anchorage failure. The inspection reported severe corrosion, cracking, and coating failures on the tank interiors.

The City contracted with V&A Consulting Engineers to assess priorities for improvements and to design the refurbishment work. The recommendation was to take the north tank, Tank 1, out of service for removal and replacement of the interior coating of the tank shell, floor and ceiling. In addition to the new coating design, the scope also includes seismic upgrades to the two flex coupling adapters at the tank/waterline interface, installation of two new valves, repair of a manway and upgrades to tank steel hardware.

The project was advertised for competitive bidding in The Sunnyvale Sun on April 15, 2016, distributed to sixteen Bay Area Builder's Exchanges and published on the City's website. Eighteen contractors requested bid documents. Sealed bids were opened on May 4, 2016, with three responsive bids received. The bid summary is contained in Attachment 1.

The lowest responsive and responsible bid was received from Blastco Inc., in the amount of \$799,000. The bid amount is substantially lower than the engineer's estimate of \$1.6 million. Staff had the design consultant review the engineer's estimate compared to the low bid, who indicated that the estimate was based on a cost of approximately \$16 per square foot for tank recoating work, which was in line with bids then received on a project in Palo Alto. The low bid included a price that was closer to \$10 per square foot which alone accounts for almost \$500,000 of the difference. Due to the current condition and age of the tank, a 15% construction contingency is recommended.

FISCAL IMPACT

Total construction costs of the base bid in the amount of \$799,000 and the 15% contingency in the amount of \$119,850 is \$918,850. Budgeted funds are available in Capital Project 830170, Refurbishment of Water Tanks.

Funding Source

This project is funded by the Water Supply and Distribution Fund.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Make a finding of CEQA categorical exemption pursuant to CEQA Guideline Section 15301 for alterations to existing facilities involving negligible or no expansion of use beyond that which presently exists; 2) award a contract in substantially the same form as Attachment 2 to the report and in the amount of \$799,000 to Blastco Inc.; and 3) approve a 15% construction contingency in the amount of \$119,850.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Manuel Pineda, Director of Public Works

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bid Summary
2. Draft General Construction Contract