



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 18-0548, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Award of Bid No. PW18-17 for Mary-Carson Tank No. 2 Refurbishment, Determination of Bid Non-responsiveness, and Finding of California Environmental Quality Act categorical exemption

#### **REPORT IN BRIEF**

Approval is requested to award a construction contract in the amount of \$948,320 for the base bid and \$94,500 for the Additive Bid Alternate for a contract total of \$1,042,820 to West Coast Industrial Coatings, Inc. of Hemet for the Mary-Carson Tank No. 2 Refurbishment project. Approval is also requested for a 15% construction contingency in the amount of \$156,423. A construction contingency higher than the customary 10% is being requested because the last tank interior inspection and condition assessment was conducted over five years ago and the amount of coating failures may have increased, requiring additional rehabilitation under this contract.

#### **EXISTING POLICY**

Pursuant to Section 2.09.040 of the Sunnyvale Municipal Code, City Council approval is required for public works contracts exceeding \$100,000 in any one transaction.

#### **ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA) determination for the project is a categorical exemption pursuant to CEQA Guidelines Section 15301(b), for existing publicly-owned utilities facilities involving negligible or no expansion of use beyond which presently exists.

#### **BACKGROUND AND DISCUSSION**

The Mary-Carson Water Plant is located at 155 South Mary Avenue. The facility consists of two 5,000,000-gallon (5.0 MG) steel tanks that were constructed in 1966, and are an important component of the City's potable water supply. A seismic vulnerability assessment and interior inspection were completed in 2004 and 2013, respectively. 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. City staff hired V&A Consulting Engineers to assess priorities for improvements and design for the refurbishment work of the tank, which was awarded by Council (RTC No. 14-0480).

The recommendation from the assessment and design project included removing the tanks from service so the interior coating of the tank shell, floor and ceiling could be removed and replaced. In addition to the new coating design, the scope also included seismic upgrades to the flex coupling adapters at tank/water line interface, installation of new valves, repair of manways and repair/upgrade to the tank steel hardware. The construction of the north tank, Tank No. 1, (RTC No. 16-0550) and the design of the south tank, Tank No. 2 (RTC No. 17-0413) are finished. This project will complete the construction work for Tank No. 2. Upon completion of this project, both tanks at the

Mary-Carson plant site will have been refurbished.

The project was advertised for competitive bidding in the Sunnyvale Sun on April 13, 2018, distributed to eighteen Bay Area Builder's Exchanges, and published on the City's website through the Demandstar public procurement network. Ten contractors requested bid documents. Sealed bids were opened on May 9, 2018, with three responsive bidders. The lowest responsive and responsible bid was submitted by West Coast Industrial Coatings, Inc. The bid summary is contained in Attachment 1.

A fourth bid was received from Paso Robles Tank, Inc., however this bidder also submitted a bid as a sub-contractor for West Coast Industrial Coatings, Inc. In accordance with the requirements of the Invitation for Bids, a bidder submitting a bid as a prime contractor may submit only one bid as a prime contract and may not also submit one or more bids as a subcontractor to competing prime contractors. Additionally, Sunnyvale Municipal Code section 2.09130(a) states that a contractor submitting a bid as a prime contractor may not also submit sub-bids to competing prime contractors. For these reasons, staff recommends that Council make a determination that Paso Robles Tank, Inc. bid to be deemed non-responsive. In accordance with the instructions within the bid document, staff has approved replacement of this subcontractor from West Coast Industrial Coatings, Inc., which does not materially impact the bid.

Staff recommends accepting the bid from West Coast Industrial Coatings, Inc. the lowest responsive and responsible bidder. Staff also recommends awarding a 15% construction contingency to pay for potential additional repairs and coating work required during the construction phase.

### **FISCAL IMPACT**

Project costs are as follows:

Construction (Base-Bid)	\$948,320
Construction (Bid Additive Alternatives A1 to A3)	\$94,500
Construction Contingency (15%)	<u>\$156,423</u>
Total Cost	\$1,042,820

### **Funding Source**

Budgeted funds are available in Capital Project 830170 (Refurbishment of Water Tanks), 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 a categorical exemption from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (b) for existing facilities involving negligible or no expansion of use beyond which presently exists; 2) Award a contract in substantially the same form as Attachment 2 to the report in the amount \$1,042,820 to West Coast Industrial Coatings, Inc. and authorize the City Manager to execute the contract when all necessary conditions have been met; 3) approve a 15% construction contingency in the amount of \$156,423; and 4) make a determination

that the bid received from Paso Robles Tank Coating, Inc. is non-responsive.

Prepared by: Gregory S. Card, Purchasing Officer  
Reviewed by: Timothy J. Kirby, Director of Finance  
Reviewed by: Chip Taylor, Director of Public Works  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. Bid Summary
2. Draft General Construction Contract