

## MEMORANDUM

**TO:** CITY COUNCIL

**FROM:** GEOFF ENGLISH, PUBLIC WORKS DIRECTOR

**BY:** SHANE TAYLOR, UTILITIES MANAGER

**SUBJECT:** CONSIDERATION OF AN AWARD OF CONTRACT TO FLUID RESOURCE MANAGEMENT FOR CONSTRUCTION OF THE RESERVOIR NO. 2 ROOF RECOATING PROJECT, PW 2015-13

**DATE:** NOVEMBER 10, 2015

### RECOMMENDATION:

It is recommended the City Council:

1. Award a contract for the Reservoir No. 2 Roof Recoating project to Fluid Resource Management in the amount of \$47,718.94;
2. Authorize the City Manager to approve change orders for 10% of the contract amount, \$4,771.89 for unanticipated costs during the construction phase of the project (total construction costs = \$47,718.94 + \$4,771.89 = \$52,490.83); and
3. Direct the City Clerk to file a Notice of Exemption.

### IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The current 2015/2016 Capital Improvement Program Budget includes \$80,000 for the subject project. The engineer's estimate for the project was \$60,000. The total cost of the project including contingencies is \$52,490.83.

### BACKGROUND:

The project involves all preparation, minor surface repairs and re-coating of the roof and vent and railing of the existing 1,000,000 gallon above ground steel water Reservoir No. 2, located on Hillcrest Drive. During the tank's annual inspection, it was determined that the roof was in need of repair and repainting. The roof was last painted in 1998 and is not listed in the City's Water Master Plan.

Staff required a mandatory on-site pre-bid meeting to ensure that all potential bidders witnessed the current condition of the Reservoir No. 2 roof and exterior coating, the potential conditions and obstacles that may be present, and have an opportunity to ask questions and/or provide suggestions for improvements to the plans and specifications. The design had specified a coating system that was subsequently determined to be unavailable for several months due to an expiration of its Underwriters Laboratories

**CITY COUNCIL  
CONSIDERATION OF AN AWARD OF CONTRACT TO FLUID RESOURCE  
MANAGEMENT FOR CONSTRUCTION OF THE RESERVOIR NO. 2 ROOF  
RECOATING PROJECT, PW 2015-13  
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(UL) listing. An alternative equal coating system was specified by the design engineer and staff informed all the plan holders of the change via the issuance of an addendum.

**ANALYSIS OF ISSUES:**

On November 3, 2015, five bids were opened for the Reservoir No. 2 Roof Recoating project. The lowest bid, \$47,718.94 from Fluid Resource Management was deemed responsive and staff recommends award of a construction contract to Fluid Resource Management accordingly.

The contract time is 30 calendar days. Work is expected to begin in November and be completed in December.

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Approve staff's recommendation to award a construction contract to Fluid Resource Management for the Reservoir No. 2 Roof Recoating project;
2. Do not award a construction contract for the project; or
3. Provide direction to staff.

**ADVANTAGES:**

Recoating of steel above ground reservoirs is a critical maintenance operation to ensure the structural integrity and continuing operation of expensive City infrastructure.

**DISADVANTAGES:**

There are no disadvantages identified at this time.

**ENVIRONMENTAL REVIEW:**

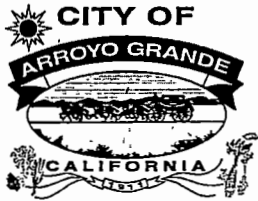
The project is categorically exempt from CEQA pursuant to Section 15301(b).

**PUBLIC NOTIFICATION AND COMMENTS:**

The agenda was posted at City Hall on Thursday, November 5, 2015. The agenda and staff report were posted on the City's website on Friday, November 6, 2015. No public comments were received as of the time of preparation of this report.

Attachment:

1. Bid Opening Log Sheet
2. Notice of Exemption



CITY OF ARROYO GRANDE  
BID OPENING LOG SHEET

DEADLINE: TUESDAY, NOVEMBER 3, 2015 - 2:00 PM  
PROJECT NAME: RESERVOIR NO. 2 ROOF RECOATING PROJECT  
PROJECT NO. PW 2015-13  
ENGINEER'S ESTIMATE: \$60,000

<u>SUBMITTED BY:</u>	<u>TOTAL</u>
Fluid Resource Management Arroyo Grande, CA	\$47,718.94
Paso Robles Tank Laguna Hills, CA	\$63,000.00
NIS, Inc. Bakersfield, CA	\$49,000.00
Crosno Construction, Inc. Arroyo Grande, CA	\$65,000.00
Industrial Coating Oceanside, CA	\$58,000.00

  
Kitty Norton, Deputy City Clerk



c: Director of Public Works  
Capital Projects Engineer  
City Manager

## Attachment No. 2

### Notice of Exemption

**To:** Office of Planning Research  
1440 Tenth Street, Room 121  
Sacramento, CA 95814

**From:** (Public Agency) City of Arroyo Grande  
300 East Branch Street  
Arroyo Grande, CA 93420

County Clerk  
County of San Luis Obispo  
County Government Center  
San Luis Obispo, CA 93408

**Project Title:** Reservoir No. 2 Roof Recoating Project, PW 2015-13

**Project Location - Specific:** On Hillcrest Drive

**Project Location - City:** Arroyo Grande      **Project Location - County:** San Luis Obispo

**Description of Project:** Preparation, minor surface repairs and re-coating of the roof and vent and railing of an existing 1,000,000 gallon above ground steel water reservoir

**Name of Public Agency Approving Project:** City of Arroyo Grande – Public Works Department

**Name of Person or Agency Carrying Out Project:** Geoff English, Director of Public Works

**Exempt Status:**      (check one)

- Ministerial (Section 12080(b)(1); 15268);  
 Declared Emergency (Sec. 21080(b)(3); 15269(a));  
 Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
 Categorical Exemption. State type and section number: Section 15301(b)  
 Statutory Exemptions. State code number: \_\_\_\_\_

**Reason Why Project is Exempt:** Maintenance of an existing publicly owned utility facility

#### Lead Agency

**Contract Person:** Shane Taylor, Utilities Manager      Area Code/Telephone/Extension: (805) 473-5464

#### If filed by Applicant:

1. Attach a certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?     Yes     No

Signature: \_\_\_\_\_  
*Teresa McClish*  
*Director of Community Development*

Date: \_\_\_\_\_

- Signed by Lead Agency       Date received for filing at OPR:  
 Signed by Applicant