



July 6, 2023

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 7G - 07/06/2023 Board Meeting
Approve the Release of a Bid Package for 16th Street North Tank Rehabilitation Project and Adoption of Resolution 2023-29
Approving a Sole Source Contract with ATS

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Vice President
Marshall E. Ochylski

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DESCRIPTION

The District owns and operates two water storage tanks on 16th Street. The “north” tank with a volume capacity of 400,000 gallons was constructed in 1967. The “south” tank with a volume capacity of 525,000 gallons was constructed in the late 1970’s. Back in September 2021, staff presented the results of the tank inspection report and the recommendations made for rehabilitating both tanks. Per staff recommendation, the south tank was rehabilitated in 2022.

The estimated cost for the north tank project including support services is approximately \$819,023. Staff is recommending that bid package for the rehabilitation north tank project be approved at this meeting.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board:

- 1. Authorize a formal bid process for the recoating and rehabilitation of the 16th Street North Tank; and***
- 2. Authorize the General Manager to execute the related contract if the lowest responsive bid is deemed a reasonable bid, which is within 20% of the Engineer’s Estimate of \$712,200; and***
- 3. Adopt Resolution 2023-29 approving a sole source contract with Advantage Technical Services, Inc. for welding and coating quality assurance services for an amount not to exceed \$71,823; and***
- 4. Approve a total project budget of \$819,023.***

DISCUSSION

Background

The District owns and operates two water storage tanks on 16th Street. The “north” tank with a volume capacity of 400,000 gallons was constructed in 1967. The “south” tank with a volume capacity of 525,000 gallons was constructed in the late 1970’s. Back in September 2021, staff presented the results of the tank inspection report and the recommendations made for rehabilitating both tanks.

Facilities such as water tanks require on-going preventive maintenance to help maintain the integrity of the facility and to ensure their serviceability

through their anticipated life cycle and potentially beyond. The exterior of a water tank is exposed to the harsh environmental elements (i.e., sun, wind, saltwater, etc.), which deteriorate the coating and cause corrosion if steel is exposed. The exterior of both tanks was re-coated in 2006 with the interior of the north tank re-coated as part of that project. Since 2006, the tanks have been inspected every five years with spot repair performed as recommended. The industry standard for complete rehabilitation of the exterior of water storage tanks is to be between 15 to 20 years depending on conditions.

Because the Fund 500 capital plan anticipated large expenditures for several fiscal years, it was decided to rehabilitate the tanks in different fiscal years in order to maintain enough cash flow for the other projects in the Capital Improvement Plan and operations. Based on the 2021 inspection reports, both tanks are in need of complete rehabilitation work. Per staff recommendation, the south tank was rehabilitated in 2022.

Sole Source Contracting with Advantage Technical Services

Staff is requesting that the Board adopt a resolution to approve a sole source contract with Advantage Technical Services (ATS) for an amount not to exceed \$71,823. ATS is the premier specialty engineering and inspection company on the Central Coast and has represented the District with quality assurance and inspection services for the last 20 years. Through a competitive process, ATS was awarded and provided the inspection services of both the north and south 16th Street tanks in December 2020. They were also involved in developing the scope of work and the standards and specifications for the project bid documents and quality control and inspection for the south tank project. Based on their overall experience in the water tank industry, their unique knowledge and experience with the District’s water storage facilities, familiarity with the project and their competitive cost proposal for the south tank project, staff is recommending approval of a sole source contract with ATS.

Financial Impact

The estimated capital expense of \$700,000 is included in the Fiscal Year 2022-23 capital budget. The actual rehabilitation work will be approximately that amount. The additional costs for project support increased the overall project costs by about \$120,000. Staff is requesting that the Board approve the additional budget at this time. There are adequate funds in the Fund 500 reserves, investments and actual cash in the District’s checking account to cover the added expense.

If the lowest responsive bid is 20% over the estimated project cost for the rehabilitation work, staff will return to the Board with the results and an alternative recommended action to move the project forward. The estimated cost of the project including rehabilitation work, project management and support services is as follows:

Task	Costs
Rehabilitation Work (estimated)	\$593,500
20% Contingency	\$118,700
Subtotal	\$712,200
Wallace Group Design	\$ 15,000
ATS Support (bid phase, QA/inspection, Management)	\$ 71,823
Wallace Group Project Support/Admin	\$ 20,000
Subtotal	\$ 106,823
Total Budget	\$819,023

Attachments

Resolution 2023-29
Project Plan
Notice Inviting Bids

RESOLUTION NO. 2023-29

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT APPROVING A SOLE SOURCE
CONTRACT WITH ADVANTAGE TECHNICAL SERVICES, INC. FOR TANK WELDING AND
COATING QUALITY ASSURANCE SERVICES FOR THE 16TH STREET NORTH TANK
REHABILITATION PROJECT**

WHEREAS, the Los Osos Community Services District (“District”) Board of Directors (Board) is an Independent State Agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et. Seq. of the California Government Code; and

WHEREAS, the District adopted Resolution 2022-29 on October 6, 2022, which prescribes the process for approving non-competitive agreements with a contractor; and

WHEREAS, the District solicited quotes from qualified contractor to provide tank inspections services in December 2020; and

WHEREAS, Advantage Technical Services, Inc. (ATS) provided the most responsive, competitive cost for the tank inspections services and performed the inspection and reporting work as required; and

WHEREAS, ATS is uniquely qualified to provide welding and coating quality assurance services for the rehabilitation of the District’s 16th Street North Water Tank based on their familiarity with the condition of the District’s 16th Street water tank ascertained by providing the inspection services for the project and similar work on the 16th street south tank; and

WHEREAS, the not to exceed contract amount of \$71,823 is considered reasonable when compared to cost estimates for similar services related to other District water tank rehabilitation projects.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOW:

Section 1. Based on ATS’s overall experience in the water storage tank industry, their unique knowledge and experience with the District’s water storage facilities, familiarity with the project and their competitive cost proposal, approval of a sole source contract with ATS is appropriate.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

Ayes: _____
Noes: _____
Abstain: _____
Absent: _____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 6th day of July 2023.

Charles L. Cesena
President, Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Ron Munds
General Manager and Secretary to the Board

Thomas D. Green
District Legal Counsel

PROJECT MANUAL

FOR THE

LOS OSOS COMMUNITY SERVICES DISTRICT

2122 9TH STREET

LOS OSOS, CA 93402

(805) 528-9370

16TH STREET NORTH WATER TANK RECOATING PROJECT

Prepared by:

WALLACE GROUP

612 Clarion Court

San Luis Obispo, CA 93401

805 544-4011

JULY 2023

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CERTIFICATION

In accordance with the provisions of Section 6735 of the Business and Professions Code of the State of California, these specifications have been prepared by or under the direction of the following Professional Engineers licensed in the State of California:

STEVEN G. TANAKA, PE, C049779 EXP. 09/30/24

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PART I - NOTICE, PROPOSAL, AND AGREEMENT FORMS

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PART I

NOTICE, PROPOSAL AND AGREEMENT FORMS

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NOTICE INVITING BIDS

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LOS OSOS COMMUNITY SERVICES DISTRICT
16TH STREET NORTH TANK RECOATING PROJECT

NOTICE INVITING BIDS

NOTICE IS HEREBY GIVEN that the LOS OSOS COMMUNITY SERVICES DISTRICT (Owner) hereby invites sealed bids which will be received at:

Los Osos Community Services District
2122 9th Street
Los Osos, California 93402

Until **July XX, 2023, at 3:00 pm PST**, or such later date as may be set by Addendum, at which time and at the above address, they will be opened and bid results read aloud.

DESCRIPTION OF WORK: The work is comprised of providing exterior re-coating of the entire tank exterior including appurtenances; complete tank interior re-coating including domed roof, shell, floor, and overflow pipe; new appurtenances including roof hatch, roof vent, removal of old guard railing and replacement with hot-dip galvanized guard railing, self-closing gate, interior ladder, new cathodic protection handhole covers, non-slip surface, fill pipe replacement and other miscellaneous items of Work. The tank is an existing 400,000 gallon potable water welded steel tank, located 16th Street south of Santa Maria Avenue, Los Osos, CA. The existing welded steel tank is approximately 42 feet diameter and 42'-6" tall with a self supported dome roof. The tank is known to have lead based coatings on the exterior surfaces (above the first ring).

LOCATION OF THE WORK - The work is located in Los Osos, California, and more specifically at 16TH Street, south of Santa Maria Avenue, Los Osos, CA.

BID OPENING - Telephones will not be available to bidders for the preparation of the bids or for calling in bid results. Bid forms received after the designated time will not be accepted. Bidders, their authorized agents and other interested parties, are invited to attend the bid opening.

AWARD OF CONTRACT- The OWNER intends to award a contract **to the lowest, responsive, and responsible bidder to the bid schedule delineated in these contract documents**. All bids submitted shall be in accordance with the provisions of the Contract Documents and the OWNER may waive any minor irregularities or reject any and all bids. Any bid may be withdrawn prior to bid opening but not afterward.

FORM OF THE BID - Bidders must submit proposals on the proposal bid form provided. Proposals will not be considered unless submitted on proposal forms included in the Contract Documents obtained from the OWNER. A **mandatory** pre-bid job conference is scheduled for **Tuesday, July XX, 2023, at 10 am, at the Project Site (16th Street, south of Santa Maria Avenue, Los Osos, CA)**. The bidder may contact Steven Tanaka at **805-441-2293** for additional information. **Bidders that do not attend this mandatory pre-bid meeting shall be disqualified from bidding on this Project.**

BID SECURITY - Each proposal must be accompanied by cash, a certified or cashier's check, or bidder's bond on the prescribed form and made payable to the OWNER for an amount equal to at least 10 percent of the amount of the Bid, such guaranty to be forfeited should the apparent successful bidder to whom the contract is awarded fail to furnish the required bonds and insurance certificates, and enter into contract with the OWNER within the time stated in the Proposal requirements. Proposals cannot be withdrawn for the period of time specified in Article 10 of the Instructions to Bidders.

PERFORMANCE SECURITIES – The successful bidder will be required to furnish a payment bond and faithful performance bond in the full amount of the Contract price, and insurance with certificates and endorsements of insurance, as provided in the Contract Documents. The required bonds must be provided only by a surety insurer who is in good standing with the State of California Department of Insurance.

CONTRACTOR LICENSING - **In accordance with the provisions of California Public Contract Code Section 3300, the OWNER has determined that the contractor shall possess a valid Class “A” General Engineering Contractor license, or C33 Painting and Decorating Contractor License, at the time of bid issuance. In addition, Contractor and/or its Subcontractors shall also be a qualified California Corrosion Protection Contractor, and California C-60 Welding Contractor.** Failure to possess the specified licenses and qualifications shall render the Bid as non-responsive and shall act as a bar to award of the Contract to any bidder not possessing said license at the time of award. In the event of dispute over classification of the license required, the opinion of the contractor's State License Board shall prevail.

WAGE RATE REQUIREMENTS - In accordance with the provisions of California Labor Code Sections 1770,1773, 1773.1, 1773.6 and 1773.7 as amended, the Director of the Department of Industrial Relations has determined the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773 for the locality in which the work is to be performed. A copy of said wage rates is on file at the office of the OWNER. It shall be mandatory upon the contractor to whom the work is awarded and upon any subcontractor under the contractor to pay not less than said specified rates to all workmen employed by them in the execution of the work.

CONTRACTOR REGISTRATION WITH DEPARTMENT OF INDUSTRIAL RELATIONS – In accordance with California Labor Code Section 1725.5, Contractors and Subcontractors (as defined by California Labor Code Section 1722.1) bidding on Public Works contracts in California shall be registered with the Department of Industrial Relations **prior to bidding.** Contractor shall verify that this requirement has been met, prior to award of Contract.

AGREEMENT TO ASSIGN - In accordance with Section 4552 of the California Government Code, the bidder shall conform to the following requirements: In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act 15 U.S.C. 15, or under the Cartwright Act, Chapter 2.

DEPOSIT OF SECURITIES IN LIEU OF RETAINAGE - The Contractor may elect to receive 100 percent of payment due under the Contract Documents from time to time, without retention of any portion of the payment by the OWNER, by depositing securities of equivalent value with the OWNER in accordance with the provisions of Section 20300 of the California Public Contract Code. Such securities, if deposited by the Contractor, shall be valued by the OWNER, whose

decision on valuation of the securities shall be final. Securities eligible for investment under this provision shall be limited to those listed in Section 16430 of the California Government Code or bank or savings and loan certificates of deposit.

CONTRACT DOCUMENTS - Contract Documents, including Instructions to Bidders, the Contract Specifications and Drawings may be viewed electronically at local planholders' rooms, or by requesting a PDF copy of the bid documents by contacting Steven Tanaka, Wallace Group, at stevent@wallacegroup.us, or by phone at (805) 441-2293.

Only PDF electronic copies of the bid documents will be made available to bidders, at no charge to bidders. The special attention of prospective bidders is called to the Instructions to Bidders portion of the Contract Documents for full directions for bidding the Work.

The successful bidder must insure that employees and applicants for employment are not discriminated against on the basis of age, color, race, national origin, ancestry, religion, sex, sexual preference, marital status, and shall comply with the Americans with Disabilities Act.

Date: _____

OWNER: _____
RON MUNDS, GENERAL MANAGER

END OF NOTICE INVITING BIDS

16TH STREET NORTH WATER TANK RECOATING PROJECT

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01 35 00	Special Project Procedures
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01 70 00	Execution and Closeout Requirements

FACILITY CONSTRUCTION SUBGROUP

Divisions 02 through 08 – Not Used

Division 09 – Finishes

09 97 00	Coatings for Water Storage Tanks
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Divisions 10 to 14 – Not Used

FACILITY SERVICES SUBGROUP

Divisions 21 to 28 – Not Used

SITE AND INFRASTRUCTURE SUBGROUP

Divisions 30 – 32 – Not Used

Division 33 – Utilities

33 13 00	Disinfecting of Water Utility Distribution
33 16 13	Repair Above Ground Water Utility Storage Tank

Divisions 34 – 35 – Not Used

PROCESS EQUIPMENT SUBGROUP

Division 40 – 46 – Not Used

SUMMARY OF WORK

PART 1 GENERAL

1.1 WORK INCLUDED

- A. The Work is comprised of providing exterior re-coating of the entire tank exterior including appurtenances; complete tank interior re-coating including domed roof, shell, floor, exterior ladder safety posts (3) [two exterior, one interior], new interior ladder/removal of old interior ladder, new 39" square roof hatch opening/removal of old hatch opening, new vent/removal of old vent plus re-coating of existing vent riser, new hot-dip galvanized guard railing/removal of old guard railing, self-closing gate, non-slip surface, fill pipe replacement, and other miscellaneous items of Work. The tank is an existing 400,000 gallon potable water welded steel tank, located 16th Street south of Santa Maria Avenue, Los Osos, CA. The existing welded steel tank is approximately 42 feet diameter and 42'-6" tall with a self supported dome roof. The tank is known to have lead based coatings (above the first ring) on the exterior surfaces. The tank is located at the 16th Street Booster Station site, on 16th Street south of Santa Maria Avenue, Los Osos, CA, as shown on the drawings.
- B. The Work consists of items listed in the Base Bid. Refer to Section 01 20 00 for further definition.
- C. A tank inspection was conducted in December 2020, by Advanced Technical Services, Inc. The tank inspection report is included as a reference document, and is included at the end of this Section.

1.2 SPECIFICATIONS

- A. The Specifications are those bound in the Project Manual. All sections of the Project Manual, including Notice Inviting Bids and Instructions to Bidders, are part of the Contract Documents for this Work. The Project Manual consists of the Notice Inviting Bids, Instructions to Bidders, Contract, General Conditions of the Contract for Construction, Supplementary General Conditions, Divisions 01, 02, 09 and 33 technical specifications.

1.3 DRAWINGS

- A. The Drawings consist of 6 sheets prepared by Wallace Group.

1.4 INTERRUPTION OF SERVICES

- A. Interruptions to utility services (other than taking tank out of service during Work) shall not be allowed except as noted below, with the exception of short-term disconnection of the cathodic protection/rectifier panel as required for exterior coating.
 - 1. The potable water storage tank (North tank only) will be taken out of service by the District, for the duration of the interior re-coating work and as required for repairing and replacing of Cathodic Protection (CP) handholes and roof repairs, vent and roof hatch, and to accommodate the tank re-filling and disinfection process.

1.5 STORMWATER AND WASTE MANAGEMENT

- A. Protect all on-site overflow/drainage basins from fugitive paint dust and other deleterious materials, and manage and dispose of properly all wash water associated with the Project.
- B. Remove all waste materials from the site and dispose of properly.
 - 1. Lead-based paint.
 - 2. Wash water
 - 3. Other deleterious materials generated as part of the Work.

1.6 TANK COATING PLAN

- A. Submit Tank Coating Plan at Pre-Construction Meeting, indicating procedures and schedule, specific tasks such as preparatory work, scaffolding and containment, pre-application meeting, health and safety plan, storage of materials, management of waste materials, dust, debris and sandblasting materials, containment and prevention of migration of materials off-site, management of lead-based paint dust, and other tasks germane to the tank coating project.

1.7 HOURS OF WORK

- A. Perform Work of this Contract on normal workdays and within normal work hours; 7:00 am to 4:00 pm Monday through Friday. Saturday work may be allowed with prior pre-approval, and is encouraged by the District to help minimize overall schedule during sandblasting of the tank exterior. No night or Sunday Work shall be allowed.
- B. Continuously keep existing site and utility building/equipment accessible to District staff.
- C. Final Submittals: Prior to requesting final payment, obtain and submit the following items to the Engineer for transmittal to the District:
 - 1. Completed record drawings per Section 01 70 00.
 - 2. Documentation demonstrating proper and final disposition of all waste materials from the site.

1.8 PERMITS

- 1. Not required.

1.9 SITE ACCESS

- A. All Work is on the existing booster station site, which is owned by the District.
- B. Contractor's attention is directed to existing surrounding uses around the tank site, which is all residential. It is imperative to keep all equipment, vehicles, materials and waste materials on the District's property and in immediate right of way fronting the District's property. Do not block access to private properties and driveways, except for short duration as required movement of vehicles and equipment on and off the Site. Do not allow dust, debris, aerosols and all construction-related residuals to drift beyond tank site boundary under any circumstances.

1.10 EXCAVATIONS OR TRENCHING FOR UNDERGROUND UTILITIES

- A. No excavations shall be allowed as part of this Work.

1.11 PROTECTION OF EXISTING STRUCTURES AND UTILITIES

- A. Refer to the General Conditions and other Division 01 Sections for Contractor responsibilities.
- B. Damage to existing improvements caused by Contractor's operations, either on-site or on adjacent sites, shall be repaired to their original condition. Cost of such repair shall be borne entirely by Contractor.
- C. Drawings indicate existing surface features at the site, but do not depict underground utilities.

END OF SECTION

Attachment (ATS Inspection Report, December 2020)