



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Aldinger and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Jim Arndt, Director of Public Works
Dana Greenwood, City Engineer

DATE: April 15, 2008

SUBJECT: Award of Contract (\$71,675.00) for the Peck Reservoir Rehabilitation Project to A.J. Fistes Corporation

RECOMMENDATION:

Staff recommends that the City Council pass a motion to award a contract in the net amount \$71,675.00 for the Peck Reservoir Rehabilitation Project to A.J. Fistes Corporation, and award DGA's existing contract for an additional \$10,000.00 to provide specialized inspection services during construction.

FISCAL IMPLICATION:

\$175,000 was included in the Capital Improvement Projects (CIP) fund for this project. \$1,700 was spent on initial investigation and \$19,651 was allocated for consultant design services, leaving a balance of \$153,649 available for construction and inspection services.

Initial Investigation (Dive Corr)	\$1,700.00
Design Services Contract	\$ 19,651.00
Construction Contract	\$ 71,675.00
Inspection Services	\$10,000.00
TOTAL EXPENDITURES	\$ 103,026.00
CIP Budget (Water Fund)	\$175,000.00

DISCUSSION:

Background

The City of Manhattan Beach operates the seven million gallon Peck Avenue reservoir, located in the vicinity of Peck and 18th Street. In 2000, the reservoir's slab roof was replaced with a new steel truss aluminum roof, and reinforced concrete interior bracing was added. Minor leaks to the reservoir's base were also mitigated at that time.

In 2006, the City retained Dive Corr, Inc. services at a cost of \$1,700.00 to inspect both the inside and outside of the tank, and to identify and provide a detailed summary of all maintenance and operational issues of concern. A report was subsequently provided to the City identifying these issues, which include signs of corrosion, peeling and delamination of the steel truss coating, loose pads, root intrusion, joint leakage, and seepage.

Because this work was highly specialized, consultant design services were needed to develop detailed plans and specifications for the repair and rehabilitation of the reservoir based on the report's findings. The City issued a Request for Proposals and a selection committee comprised of water operations and engineering staff evaluated proposals received from eleven qualified consultant design firms. At its regularly-scheduled meeting of December 4, 2007, Council awarded a contract to DGA Consultants, with the understanding that the City would also consider retaining specialized inspection services during construction.

In subsequent months, DGA Consultants worked with staff to review Dive Corr's findings of the maintenance and operational issues found in the Peck Reservoir, formulated a cost estimate for the required work, and developed detailed plans and specifications to award a public works contract for the complete repair and rehabilitation of Peck Reservoir, including both maintenance and cosmetic repairs. The detailed plans and specifications included:

- Removal of the old coatings and application of new protective coatings to beams, trusses, fasteners and anchor pads.
- Repair of rusted areas where there are signs of corrosion.
- Repair of areas compromised by root intrusion.
- Removal of existing joint sealant from deteriorated concrete cracks and preparation of new sealant/grout at these locations.
- Application of new sealant/grout on concrete surface cracks.

DGA Consultants will continue to perform construction support services as needed during the repair/rehabilitation phase. Additionally, staff is requesting that DGA's contract budget be augmented for an additional \$10,000 to provide special inspection services during the repair phase of this project.

Bid Proposals

This project was advertised for bids in five construction industry publications. Subsequently, 16 sets of plans and specifications were provided to contractors, subcontractors and material suppliers. A total of two competitive bids were received and opened on April 9, 2008 at 11:00. The two bids were as follows:

- 1) \$71,675.00 by A.J. Fistes Corporation
- 2) \$79,375.0 by Murphy Industrial Coatings, Inc.

The low bid by A.J. Fistes Corporation was reviewed by the Public Works Department and found to be responsive and in conformance with prevailing construction prices.

Representatives of agencies where work has been performed by A.J. Fistes Corporation have indicated that the work performed was to their satisfaction. In addition, A.J. Fistes Corporation

completed the Repainting of the Fire and Police Stations, Pier Railings, Radio Antennae, and Pier Light Fixtures Project for the City's Public Works maintenance division in 1995. The project was discussed with a representative of the firm and he expressed confidence in his bid and a desire to perform the work.

Additionally, because the reservoir was not drained for a pre-bid job walk, both staff and the prospective bidders relied solely on the documents and photos provided by Dive Corr, Inc. to assess the extent of the repairs needed. Once the reservoir is drained and the full extent of the repairs assessed, staff will confirm whether the work identified in the bid package was adequate to ensure full capacity use of the reservoir. Given the low bids received, additional project funds are available should the repairs needed be greater than anticipated.

Environmental Review

In accordance with the California Environmental Quality Act (CEQA) of 1970, this project is Categorically Exempt (Section 15301, Class 1(b)). A Notice of Exemption has been filed with the County Clerk's office.

xc: Henry Mitzner, Controller