



AGENDA REPORT

Meeting Date: September 8, 2011
Item Number: F-13
To: Honorable Mayor & City Council
From: Ara Maloyan, Deputy City Engineer 
Anne Zaworski, Principal Civil Engineer 
Subject: REJECTION OF ALL BIDS FOR CONTRACT WORK PERTAINING TO STRUCTURAL REPAIR, APPLICATION OF 200 MIL THICK POLYURETHANE FOR INTERNAL LINING OF RESERVOIR 4A, REMOVAL AND REPLACEMENT OF AN EXISTING RETAINING WALL AND MISCELLANEOUS WORK FOR UPGRADING OF RESERVOIR 4A WITHIN THE CITY OF BEVERLY HILLS, CALIFORNIA, AND AUTHORIZE THE READVERTIZING FOR BID.

RECOMMENDATION

Staff recommends the City Council move to reject all bids for the construction work pertaining to the upgrading of Reservoir 4A, within the City of Beverly Hills and requests authorization to readvertise the construction project for public bid.

INTRODUCTION

Water Reservoir 4A, constructed in 1954, is a partially buried reinforced concrete structure with a storage capacity of 2.2 MG providing domestic supply and fire protection to the westerly portion of Zone 8 of the city's water distribution system (area between Coldwater Cañon Drive and the west city limits). Retaining walls are located on the southside of the reservoir roof and on the south and eastside of the reservoir footing.

DISCUSSION

In January 1999, Water Operations personnel observed several cracks on the reservoir concrete walls and on the reservoir concrete roof.

- In November 1999, C. W. Neal Corporation completed installation of a flexible membrane on the top surface of the reservoir roof (for leak prevention), crack and joint sealing, corrosion repair and installation of new entrance hatches at Reservoir 4A at a total cost of \$150,479; based on ASL/Tetra Tech's design

recommendations; providing the city a 5 year warranty on the roof membrane and a one-year warranty on the leak repairs.

- The 1999 crack and joint injection sealing lasted about five (5) years before the reservoir walls started cracking again in 2004.
- In December 2008, J. Fletcher Creamer and Sons replaced Reservoir 4A's inlet/outlet lines at a cost of \$500,000 based on RBF Consulting design recommendations. At that time; a "Report of Structural Crack Investigation of Reservoir 4A" was prepared for Water Operations staff by Tetra Tech recommending that all the wall cracks be pressure injected with polysulfide and the underside of the precast roof panels in both chambers and all surfaces of the beams and girders in the south chamber be coated with Zebron or an equivalent waterproofing membrane coating at a cost of \$485,750; for which the city would again receive a 5 year warranty.
- In 2010, during their detailed review of all of the Engineering Reports, retrofit work and crack sealing completed over the last twelve years; Engineering Division staff made a determination that in light of the recurring cracks in the walls of Reservoir 4A; the distressed south property retaining wall and the fact that a seismic and structural analysis of this reservoir has never been undertaken; it would be fiscally prudent to investigate the potential costs associated with retrofitting this 46 year old tank in lieu of merely crack sealing the walls again.
- Consequently, in December 2010; staff received a detailed Report prepared by KEC Engineers Inc evaluating Reservoir 4A's remaining useful life, including a seismic analysis of the existing structure and providing alternative recommendations for it's repair. By June 2011, KEC had prepared a full set of Contract Documents for the rehabilitation of Reservoir 4A which will remediate ongoing reservoir leakage; rehabilitate the Tank to increase its remaining lifespan by at least 15 years; remove and replace the existing retaining wall, non-operational pump, pipes, fittings, electrical conduit and SCADA instrumentation; including replacing the existing manually-operated valves with motor-operated valves.

On July 20, 2011, at 2:00 PM., six bids were publicly opened in the City Clerk's Office and they were read as follows:

<u>Contractor</u>	<u>Bid Amount</u>
Canyon Springs Enterprises, dba RSH Construction	\$1,292,800
Environmental Construction Inc.	\$1,348,960
United Engineering & Construction	\$1,571,250
Zusser Company Inc.	\$1,664,300
Mallcraft Inc.	\$1,967,134
Metro Builders & Engineers Group Ltd.	\$2,699,923

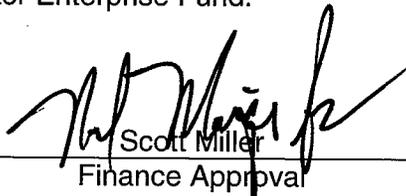
KEC Engineer's engineering estimate was \$844,000.

The two lowest bidders withdrew their bids due to clerical errors in their bids. The third lowest bid had also made a clerical error in his bid assigning 9.5% of his total bid price to the mobilization/demobilization line item instead of 6% maximum as identified in the Contract Specifications. During the bid evaluation staff also noticed that the unit price assigned (by all six bidders) for the removal and replacement of the existing retaining wall fluctuated considerably between bidders. Consequently, after consultation with the City Attorney; staff determined that it is in the best interest of the City to reject all bids, request KEC to revisit his proposed design for the rehabilitation of the existing retaining wall and his construction estimate, potentially revise the Contract Documents for the project and readvertise the project for public bid.

FISCAL IMPACT

There is minimal fiscal impact to the City in the rejection of all six bids costing approximately \$5,000 to readvertise for bids.

Funds for this project is provided in the Reservoir Replacement and Repair account of Water Enterprise Fund.



Scott Miller
Finance Approval



David Gustavson
Approved By