



## AGENDA REPORT

**Meeting Date:** November 17, 2015  
**Item Number:** D-11  
**To:** Honorable Mayor & City Council  
**From:** Mark Cuneo, City Engineer  
Tristan Malabanan, Civil Engineer

**Subject:** AWARD OF A CONTRACT TO THE LOWEST RESPONSIBLE BIDDER, OLYMPOS PAINTING, INC. FOR THE GREYSTONE JOINT SEALANT AND VALVE COATINGS REHABILITATION WITHIN THE CITY OF BEVERLY HILLS, CALIFORNIA, IN THE AMOUNT OF \$828,880; APPROVAL OF THE PLANS AND SPECIFICATIONS THEREFOR; FIND THE PROJECT EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND

APPROVAL OF ISSUANCE OF A PURCHASE ORDER IN THE AMOUNT OF \$915,000 TO OLYMPOS PAINTING, INC. FOR THE PROJECT

**Attachments:** 1. Agreement with Olympos Painting, Inc.  
2. Categorical Exemption

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### RECOMMENDATION

Staff recommends the City Council move to approve the award of a contract to the lowest responsible bidder, Olympos Painting, Inc. for the rehabilitation work at the Greystone reservoir in the amount of \$828,880; approve the plans and specifications which are adopted and approved with respect to design criteria; approve a construction contingency of 10.4% in the amount of \$86,120 and delegate the authority to approve change orders to the Director of Capital Assets; and approve the issuance of a purchase order to Olympos Painting, Inc. in the amount of \$915,000.

### INTRODUCTION

This report is a request for City Council approval to award a contract to Olympos Painting, Inc. for the Greystone Joint Sealant and Valve Coatings Rehabilitation work within the City of Beverly Hills. The plans and specifications for the Project, dated September 2015, were prepared by Civil Engineering Staff.

## **DISCUSSION**

Several deficiencies have been identified in the west tank of the reservoir, which is currently out of service, such as failing joint sealant, concrete delamination or spalling, and rusty valves. This project will repair all identified deficiencies. Major work includes replacement of all joint sealant, concrete repairs on columns and walls, and sandblast and coat all valves. Once the west tank is disinfected, tested, and filled, the east tank will be taken out of service and the same scope of repairs will be performed.

In early September, a Notice to Bidders was published in the Beverly Hills Courier, the Beverly Hills Weekly, several online industry advertisers, and on the City's website. On October 29, 2015, one bid was received and publicly opened in the City Clerk's Office. Bid results were as follows:

Olympos Painting, Inc.	\$ 828,880
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Originally, the project was schedule to bid on October 15, 2015. Staff reduced experience requirements and postponed the bid date to October 29, 2015 to increase interest in the project in order to receive numerous competitive bids. Staff also directly contacted five construction companies that perform work similar to the scope of the project. Although several companies indicated an interest in bidding the only one bid was received. After the bid was received, staff contacted several companies that expressed an interest in bidding to determine why they did not submit a bid. Staff determined that based the scope of work, the project was too small for large construction companies who usually construct reservoir projects. Smaller companies who typically work as subcontractors on reservoir projects voiced that there was too much risk involved for them to bid as the prime contractor.

The Engineer's construction estimate prepared by staff was \$750,000. Staff tabulated and reviewed the single bid and determine that Olympos Painting, Inc. was a responsible bidder. The bid is approximately 10.5% higher than the Engineer's estimate; however, staff recommends the contract be awarded to Olympos Painting, Inc. in order to return the reservoir to full service as soon as possible to provide the maximum water storage capacity in the event of an emergency and for fire suppression.

Olympos Painting, Inc. has positive references from the City of Santa Ana, City of Santa Barbara, and the California Department of Corrections and Rehabilitation. Staff recommends that the bid be accepted and a contract for the construction of Greystone Joint Sealant and Valve Rehabilitation be awarded to Olympos Painting, Inc. in the amount of \$828,880 and that a 10.4% contingency allowance in the amount of \$86,120 also be included in the Purchase Order amount (for potential change orders due to unforeseen conditions) for a total authorization of \$915,000. The work on this project is scheduled to be completed within 200 working days (approximately 10 months) of the issuance of the notice to proceed.

## **ENVIRONMENTAL ASSESSMENT**

A Categorical Exemption was prepared for the "Greystone Joint Sealant and Valve Coatings Rehabilitation" project and certified by the City's Community Development staff on November 9, 2015.

**FISCAL IMPACT**

A construction contingency allowance in the amount of \$86,120 has been included in the total purchase order amount of \$915,000. Any change orders that require expenditures from this allowance shall be made only upon written request in accordance with the Municipal Code §3-3-111 regarding change orders.

Funds for this project are budgeted in FY15/16 capital improvement program (CIP Project No. 00796 – Reservoir Replacement/Water Tanks) and provided as follows:

ACCOUNT NUMBER	FUND DESCRIPTION	AMOUNT
80006003-850000-00796	Water Enterprise Fund	\$ 915,000.00
	TOTALS	\$ 915,000.00

\_\_\_\_\_  
David E. Lightner *DEL*  
Approved By

# **Attachment 1**

**AGREEMENT**

THIS AGREEMENT, made and entered into this 17<sup>TH</sup> day of **November, 2015**, by and between the CITY OF BEVERLY HILLS, a municipal corporation, hereinafter referred to as "City", and

Olympos Painting, Inc.  
7933 Gloria Ave., #9  
Van Nuys, CA 91406

hereinafter referred to as "Contractor";

WITNESSETH

In this consideration of their covenants the parties hereto agree as follows:

1. Contractor shall furnish all labor, materials and equipment necessary to perform the following work in the City of Beverly Hills, California, strictly in accordance with the Notice to Bidders, Proposal form, Plans and Specifications for such improvement, Standard Contractual Requirements and inclusive of Addendums, each of which documents are made a part of this Contract as though fully set forth herein:

**GREYSTONE JOINT SEALANT AND VALVE COATINGS REHABILITATION**

2. In consideration of such work City agrees to pay Contractor and Contractor agrees to accept the sum of **Eight Hundred Twenty-Eight Thousand, Eight Hundred Eighty Dollars and Zero Cents (\$828,880.00)** in the manner provided in subject Plans and Specifications and subject to adjustment provided therein.

3. Concurrently with the execution of this Contract, Contractor shall file with the City the bonds and certificates of insurance specified in said Standard Contractual Requirements.

4. This Contract shall not be assigned without the written permission of the City Council.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

ATTEST:

CITY OF BEVERLY HILLS,  
A municipal corporation

\_\_\_\_\_  
BYRON POPE, City Clerk

\_\_\_\_\_  
JULIAN A. GOLD, M.D., Mayor

APPROVED AS TO CONTENT:

CONTRACTOR:

\_\_\_\_\_  
MAHDI ALUZRI, City Manager

\_\_\_\_\_  
KARL KIRKMAN, Risk Manager

\_\_\_\_\_  
DAVID LIGHTNER, Director of Capital Assets

APPROVED AS TO FORM:

FUNDS AVAILABLE:

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LAURENCE S. WIENER, City Attorney

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DON RHOADS, Director of Administrative Services/Chief  
Financial Officer

# **Attachment 2**



BeverlyHills.org

CITY OF BEVERLY HILLS  
COMMUNITY DEVELOPMENT DEPARTMENT- PLANNING DIVISION  
455 North Rexford Drive  
Beverly Hills, CA 90210-4817  
(310) 285-1123  
FAX: (310) 858-5966

### Categorical Exemption

Name of Project: Greystone Joint Sealant and Valve Coatings Rehabilitation

Location: Greystone Mansion & Gardens

Type of Business (if commercial) \_\_\_\_\_

Project Description: Rehabilitate Greystone reservoir – replace joint sealant, repair concrete, sandblast and coat valves, and install two sampling pump stations.

Applicant's Name: City of Beverly Hills Phone: 310-285-1000

Applicant's Address: 455 N Rexford Drive

City: Beverly Hills Zip: 90210

If different, provide:

Agent's Name \_\_\_\_\_ Phone \_\_\_\_\_

Agent's Address \_\_\_\_\_

City \_\_\_\_\_ Zip \_\_\_\_\_

The undersigned, having received this project for processing, has reviewed it for environmental impact and concluded that the project qualifies for a categorical exemption under the procedures adopted by the City of Beverly Hills and no further environmental assessment is necessary.

**Applicable Exemption Class Class 1(d)(15301) Existing Facilities**

Comments: Class 1 includes rehabilitation of damaged facilities and structures—in this case, the Greystone reservoir—to meet current standards of public health and safety.

Reviewed by Cynthia de la Torre Date November 9, 2015