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DATE: June 17, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Dan Herrera, PE – Deputy Director of Operations, Public Works & Utilities (PW&U)  
Jonathan Sanglerat, PE – Engineering/CIP Manager, PW&U  
Gina Benedetti-Petnic, PE – Interim Director, PW&U

SUBJECT: Resolution Awarding a Contract for the Hardin Tank Recoating Project to Olympus and Associates, Inc., and Approve a Revised Project Budget

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**RECOMMENDATION**

It is recommended that the City Council adopt the attached Resolution awarding a contract for the Hardin Tank Recoating Project to Olympus and Associates, Inc., and approve a revised project budget.

**BACKGROUND**

The Hardin Lane Potable Water Tank is located off Hardin Lane near Corona Road. The existing reservoir was built in 1990 and provides the City of Petaluma with approximately one million gallons of water storage capacity, which supplies our domestic drinking water and water reserves for emergencies and fire flow demands. Hardin Lane Tank (Hardin) and Manor Lane Tank (Manor) (located off Adobe Road) provide a combined total of three million gallons of water storage that supports the Zone 4 pressure zone along the eastern side of the City between Sonoma Mountain Parkway and the open space urban growth boundary. Both tanks feed the same water zone. To ensure that our water supply system remains operational, only one of these tanks can be offline at any time. Therefore, since the rehabilitation of the Manor was recently completed in early 2024 and is back online, staff now have the ability to take Hardin offline for required rehabilitation efforts.

Recent maintenance inspections have shown the need for rehabilitating Hardin to prolong the tank's life and ensure the reliability and resiliency of the water distribution system. The welded steel tank coating system has exceeded its useful life and shows signs of corrosion and deterioration. In addition, the water storage tank piping and valves that connect the tank to the distribution system need replacement.

In December 2022, the City solicited a proposal from Brelje & Race, Inc. to evaluate the condition of the existing water storage tanks' coating system, provide an assessment and design recommendations, and prepare complete project bid documents. The assessment of the water storage tanks was completed in June 2023, and the design and bid documents were received in April 2024.

**DISCUSSION**

The Hardin Lane Tank Recoating project includes removing and replacing the interior and exterior coatings, replacing tank vents, upgrading the valve vault piping, making electrical improvements, and making various tank system appurtenance improvements. The project will not change the water storage tank's existing storage capacity.

In conjunction with the consultant, staff prepared design bid documents for the project and issued a Notice Inviting Bids on April 26, 2024. On May 23, 2024, nine (9) bids were received as follows:

<u>Name of Bidder</u>	<u>Bid Total</u>	
Olympus & Associates, Inc.	\$1,113,105.00	Lowest Responsible Bidder
Euro Style Management	\$1,157,200.00	
Unified Field Services Corp.	\$1,354,227.00	
Farr Construction Co	\$1,356,260.00	
Advanced Industrial Services, Inc.	\$1,466,000.00	
AMP United LLC	\$1,489,400.00	
Capital Industrial Coating, LLC	\$1,591,810.00	
Allied Painting, Inc.	\$1,650,000.00	
ABHE & SVOBODA, Inc.	\$2,470,200.00	
Engineer's Estimate	\$1,120,800.00	

The lowest responsible and responsive bidder, Olympus and Associates, Inc., has performed similar tank recoating projects throughout the Bay Area, including Petaluma. Staff verified that Olympus and Associates, Inc. possesses a valid Class C-33 California Contractor's License, number 777677, which qualifies it to perform the work. It is recommended that the Council adopt the resolution awarding the contract to Olympus and Associates, Inc., the lowest and most responsive bidder, in the amount of \$1,113,105.00.

It is recommended that the Council adopt a resolution awarding the contract to the lowest and most responsive bidder, Olympus and Associates, Inc., in the base bid amount of \$1,113,105.00. In addition, staff also recommends that the Council approve the proposed Bid Alternate #1 of \$99,456.00 and Bid Alternate #2 of \$146,160.00, as well as a construction contingency of \$150,000 and construction management of \$190,000. It is recommended that the Council adopt the resolution awarding the contract to Olympus and Associates, Inc. in the amount of \$1,358,721.00. No bid protests were received, and the time to protest the bid has lapsed.

Construction is scheduled to begin in July 2024 and be completed by March 2025. City staff will conduct construction management and inspection services, with assistance from an outside consultant for coating, material testing, and inspection services.

## **PUBLIC OUTREACH**

This agenda item appeared on the City’s tentative agenda document on June 3, 2024, which was a publicly noticed meeting.

Public outreach will include the following: (1) mailers and door notices to all stakeholders within the project area prior to construction; (2) social media notifications via Facebook, NextDoor, and/or other platforms; and (3) weekly updates to the city’s website for project information.

## **COUNCIL GOAL ALIGNMENT**

The proposed action supports the following Council Goals and workplan Items:

### **Environmental Legacy**

#55 Make the City’s water distribution system more resilient by repairing and replacing leaking water pipes and implementing the water/sewer masterplan.

## **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

The project will rehabilitate a vital component of the water distribution system, ensuring reliability and resiliency of the water supply system, and maintaining necessary water storage for fire protection for the residents of Petaluma.

## **ENVIRONMENTAL REVIEW**

This project is categorically exempt pursuant to the California Environmental Quality Act (“CEQA”) pursuant to Article 19, Section 15301(c), of Title 14 of the California Code of Regulations (“CEQA Guidelines”), because the project consists of the repair, maintenance, and minor alteration of existing public facilities involving negligible or no expansion of existing or former use. The improvements will repair and structural reinforcement of an existing City-owned reservoir without changing the use of those facilities. Accordingly, there is negligible or no expansion of use beyond what currently exists and there are no cumulative impacts, unusual circumstances, or other factors that would make the exemption inapplicable pursuant to CEQA Guidelines Section 15300.2.

## **FINANCIAL IMPACTS**

The approved FY23/24 and FY24/25 budget for the Hardin Tank Recoating Project, C67502328, is \$1,610,000. A budget adjustment of \$253,559.44 is requested for additional design, construction costs, contingency, and construction management. The funding sources for this project come from Water Capital. The revised budget for the project is as follows:

Phase	Approved		Revised	
	FY 23/24	FY 24/25	FY 23/24	FY 24/25
Design/Planning/Environmental/Land	\$ 150,000.00		\$ 148,858.24	\$ -
Admin/Legal	\$ 2,000.00		\$ 22.72	\$ 5,000.00
Construction Contract	\$ 700,000.00	\$ 500,000.00	\$ -	\$ 1,358,721.00
Construction Management	\$ 120,000.00		\$ -	\$ 190,000.00
Contingency	\$ 120,000.00		\$ -	\$ 150,000.00
CIP Overhead	\$ 18,000.00		\$ 957.48	\$ 10,000.00
<b>TOTAL:</b>	<b>\$ 1,110,000.00</b>	<b>\$ 500,000.00</b>	<b>\$ 149,838.44</b>	<b>\$ 1,713,721.00</b>
<b>Funding Sources</b>				

The FY 24/25 budget for C67502328 will be increased with the first quarter budget adjustments later this calendar year.

**ALTERNATIVES**

If the Hardin Lane Tank Recoating Project is not awarded to Olympus and Associates, Inc., the project would need to be re-bid and construction would be delayed by approximately four months, which impacts the reliability of the water system, increases the risk of failure of the water storage tank, and impacts other work scheduled for 2024.

**ATTACHMENTS**

1. Resolution
2. Location Map