

*STAFF REPORT**CITY OF OCEANSIDE*

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DATE: August 20, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

SUBJECT: **AWARD OF CONTRACT TO FOR THE CONSTRUCTION OF THE FIRE MOUNTAIN AND GUAJOME NO. 1 RESERVOIR REPAIRS PROJECT**

**SYNOPSIS**

Staff recommends that the City Council award a contract in an amount not to exceed \$4,441,825 to Canyon Springs Enterprises (dba) RSH Construction Services of Hemet, for construction of the Fire Mountain and Guajome No. 1 Reservoir Repairs Project; and authorize the City Manager to execute the agreement upon receipt of all supporting documents.

**BACKGROUND**

The City of Oceanside has 12 reservoirs in the potable water distribution system for a total water storage capacity of 50.5 million gallons. Reservoir construction consists of either pre-stressed concrete walls with gunite cover & gunite dome roof or pre-stressed concrete tanks with a flat roof, or steel structures. Reservoir ages range from 16–55 years old.

Structural evaluations, completed in October of 2012, determined that two of the reservoirs were in need of repairs based upon their remaining useful life: the Fire Mountain Reservoir, a 3-million-gallon pre-stressed concrete structure, and the Guajome No. 1 Reservoir, a 5-million-gallon pre-stressed concrete structure.

**ANALYSIS**

The reservoirs do not meet current seismic requirements and may likely present vulnerability during earthquakes. Currently, there is no mechanical connection between the reservoir walls and footing which means the tank walls and foundation could separate during an earthquake. It was also determined that the connection that ties the reservoir roof to the walls is insufficient. They both, therefore, require substantial seismic retrofits.

The retrofits will consist of excavating and partially deconstructing (removing the gunite) to expose the reinforcing steel and prestressing cables inside the concrete walls, roof, and footings. This work can be labor intensive. New connections will be constructed to tie the footings to the walls and improve the connection of the walls to the roof.

Prestressed concrete tanks also require a special machine to install the new prestressing cables.

In addition to the seismic retrofits, significant repairs need to be made to piping with each reservoir site as well as some buildings and vaults and improvements to security of the reservoir sites.

The City Council approved an agreement with Richard Brady and Associates of San Diego in June 2013 to prepare the plans and specifications for the Fire Mountain and Guajome No. 1 Reservoir Repair project. The design included cleaning and detailed inspection of the interior of the reservoirs. Staff has worked closely with operations and distribution personnel to implement temporary rerouting of the water supply during the evaluations to ensure there are no interruptions to local water service. The plans and specifications were completed in April 2014.

The City Council authorized the City Engineer to call for bids on June 25, 2014. On July 29, 2014, two bids were received and publically opened for the project. The apparent low bidder is Canyon Springs Enterprises (dba) RSH Construction Services of Hemet, with a bid in the amount of \$4,441,825 (Exhibit A). Staff has reviewed the bid documents submitted by Canyon Springs Enterprises (dba) RSH Construction Services and find that its bid, bid bond, and references are in accordance with City standards.

Prestressed concrete tanks in our system are more economical to construct and maintain over a 50-60 year life cycle. Full replacement of both reservoirs at their current capacities would be approximately \$8,000,000 - \$10,000,000 and does not include demolition costs which could exceed a million dollars for both projects.

### **FISCAL IMPACT**

The FY 2014/15 CIP budget includes \$4,499,046 in new project funds in account 908754600712. Funding for this project will come from the use of reserves in account 712-Water Fixed Asset Replacement. The contract price is \$4,441,825 therefore, sufficient funds are available.

### **INSURANCE REQUIREMENTS**

The City's standard insurance requirements will be met.

### **COMMISSION OR COMMITTEE REPORT**

The Utilities Commission received an update at its regularly scheduled meeting on July 15, 2014.

### **CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

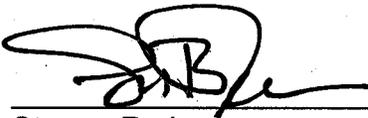
**RECOMMENDATION**

Staff recommends that the City Council award a contract in an amount not to exceed \$4,441,825 to Canyon Springs Enterprises (dba) RSH Construction Services of Hemet, for construction of the Fire Mountain and Guajome No. 1 Reservoir Repairs Project; and authorize the City Manager to execute the agreement upon receipt of all supporting documents.

PREPARED BY:

  
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City Manager

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Michelle Skaggs Lawrence, Deputy City Manager

Cari Dale, Water Utilities Director

James R. Riley, Financial Services Director

Scott Smith, City Engineer

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Exhibit A: Bid Tabulation

**BID TABULATION**

**PROJECT NO.:** 908754600712      **ENGINEER'S ESTIMATE**  
**PROJECT NAME:** Fire Mountain and Guajome No. 1 Reservoir Repairs      \$4,400,000  
**PROJECT MANAGER:** Greg Keppler  
**BID DATE:** July 29, 2014 @ 2:00 p.m.

BIDDER:		ADDRESS:	BID AMOUNT:
1.	Canyon Springs Enterprises (RSH Construction Services)	3883 Wentworth Drive, Hemet, CA 92545	\$ 4,441,825.00
2.	Gateway Pacific Contractors, Inc.	8055 Freeport Boulevard, Sacramento, CA 95832	\$ 5,819,385.00
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