

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF BOARD GOVERNED COUNTY SERVICE AREAS
AND RECORD OF ACTION**

December 3, 2024

FROM

NOEL CASTILLO, Director, Department of Public Works – Special Districts

SUBJECT

Construction Contract for the County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project

RECOMMENDATION(S)

Acting as the governing body of County Service Area 64 Spring Valley Lake

1. Approve a budget increase of \$987,500 to the approved County Service Area 64 - Recoating Tanks 2A and 2B Capital Improvement Program Project, from \$1,065,000 to \$2,052,500.
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to post 2024-25 budget adjustments, as indicated in the Financial Impact section, for the County Service Area 64 - Recoating Tanks 2A and 2B Project (Four votes required).
3. Approve Addendum No. 1 issued on August 22, 2024, Addendum No. 2 issued on September 3, 2024, and Addendum No. 3 issued on September 16, 2024, to the bid documents for the County Service Area 64 - Recoating Tanks 2A and 2B Project.
4. Award construction **Contract No. 24-1242** to Advance Industrial Services, Inc., for \$1,597,600 for the County Service Area 64 - Recoating Tanks 2A and 2B Project.
5. Authorize a contingency fund of \$159,760 for the County Service Area 64 - Recoating Tanks 2A and 2B Project.
6. Authorize the Director of the Department of Public Works to order any necessary changes or additions in work being performed under the construction contract with Advance Industrial Services, Inc., for a total amount not-to-exceed amount \$92,380 of the \$159,760 contingency fund, pursuant to Public Contract Code Section 20142.
7. Authorize the Director of the Department of Public Works to accept the work when it is 100% complete and to execute and file the Notice of Completion.

(Presenter: Noel Castillo, Director, 387-7906)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost).

County Service Area (CSA) 64 – Spring Valley Lake is funded by water and sanitation fees charged to customers based on usage. The \$2,052,500 revised cost for the CSA 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project (Project), which includes the \$1,597,600 cost of the recommended construction contract with Advance Industrial Services, Inc., and the

**Construction Contract for the County Service Area 64 Spring Valley Lake – Recoating Tanks 2A and 2B Project
December 3, 2024**

related contingency of \$ 159,760, will be funded entirely by CSA 64. The remaining \$259,140 represents the cost of Project management, construction support, county counsel, quality control inspection (coating/structural), and other administrative services.

The Project was established on June 13, 2023 for \$1,065,000. Since that time, additional funding of \$987,500 from the CSA 64 Available Unrestricted Net Position is needed due to escalating construction costs including higher prices for raw materials such as steel and concrete, increased labor costs due to a shortage of skilled workers, specialty inspections, and supply chain disruptions. The additional funding will be used for construction, construction contingency, project management and inspection.

The following 2024-25 budget adjustments to the CSA 64 – Spring Valley Lake are requested to proceed with the Project:

Fund Center	Commitment Item	Description	Action	Amount
<i>CSA 64 – Spring Valley Lake – CIP Fund</i>				
4200004582	54304030	Structures and Improvements	Increase	\$ 987,500
4200004582	40909975	Operating Transfers In	Increase	\$ 987,500
<i>CSA 64 – Spring Valley Lake – Operating Fund</i>				
4200004580	55305030	Operating Transfers Out	Increase	\$ 987,500
4200004580	40909995	Residual Equity Transfers In	Increase	\$ 987,500

Sufficient appropriation will be included in future recommended budgets as necessary.

BACKGROUND INFORMATION

The Board of Supervisors (Board) established CSA 64 – Spring Valley Lake (District) on December 30, 1968, to provide water services for Spring Valley Lake. The District operates and maintains 3,890 water connections, five wells, one booster station, and three water tanks.

The 0.67-million-gallon (MG) (Tank 2A) and 1.0 MG (Tank 2B) above-ground-level welded steel water storage tanks are operated and maintained by the Department of Public Works – Special Districts (Department). Tank 2A was constructed in 1973, and Tank 2B was built in 1996. On behalf of the District, the Department performs regular tank maintenance and inspections. During a routine monthly inspection, it was observed that the tanks exhibited rusting, delamination, and pitting within the interior coatings of the tanks.

On March 26, 2020, the State Waterboard, Division of Drinking Water, conducted the regulatory 2020 Sanitary Survey for Districts and was provided with the dive assessment report generated by Marine Diving Solutions to assist them with their survey. The State Waterboard determined that it concurred with the recommendations outlined in the Marine Diving Solutions report and recommended that the District plan to recoat these reservoirs.

The Project entails recoating the interior and painting the exterior of Tank 2A and Tank 2B. To comply with current safety regulations, modifications will include installing guardrails, both interior and exterior ladders, safety gates, vent screening, and auxiliary hatches.

**Construction Contract for the County Service Area 64 Spring Valley
Lake – Recoating Tanks 2A and 2B Project
December 3, 2024**

On October 3, 2023 (Item No. 55), the Board determined that the Project was exempt under the California Environmental Quality Act. This determination is in accordance with Title 14 of the California Code of Regulations, Section 15301(c), Class 1 (existing facilities) and Section 15302(c), Class 2 (replacement or reconstruction).

PROCUREMENT

On October 3, 2023 (Item No. 55), the Board approved the Project's plans and specifications and authorized the Department's Director to advertise for bids. The Department received five bids, which significantly exceeded the Project budget and funding available. On August 20, 2024 (Item No. 90), the Board formally approved the rejection of all Project bids received on December 14, 2023, and found that rejection of the bids is in the best general interest of the County. Additionally, the Board approved the revised plans and specifications for the Project. The Board authorized the Department of Public Works – Special Districts Director to re-advertise the revised Project.

On August 22, 2024, the Department solicited bids for the Project through the County's Electronic Procurement (ePro) (Bid No. SPD125-SPDAD-5581). This solicitation was subsequently published in the San Bernardino Sun newspaper on August 24, 2024, and September 3, 2024, and in the Daily Press on August 28, 2024, and September 1, 2024. These advertisements comply with the Public Contract Code Section 22037.

During the bidding process, the following addenda were issued:

- Addendum No. 1: The Department re-issued the revised “Section A – Building Requirements 1 of 11” on August 22, 2024. This issuance supersedes the earlier version of “Section A – Building Requirements 1 of 11,” which was dated August 21, 2024.
- Addendum No. 2: The Department provided updates regarding the changes to the dial-in and access code numbers. The mandatory pre-bid meeting will start at 10:00 a.m. PST on Tuesday, September 3, 2024. These changes are documented in Section A: Bidding Requirements and Advertisement for Bids section of the bid package (Page AB-2), and Item 1.B. of the Instruction to Bidders section (Page AB-4) of Section A – Bidding Requirements of the Bid Package issued on August 21, 2024, and Addendum No. 01 issued on August 22, 2024.
- Addendum No. 3: The Department issued updated dial-in and access code numbers through Microsoft Teams for the opening bid date, scheduled at 2:00 p.m. on Tuesday, September 24, 2024. This modification is documented in the Opening Bid Date section of the Instructions to Bidders within Section A: Bidding Requirements (Page AB-4) and in the Bid Proposal section (Page BP-1) of the Bid Package. Furthermore, the Department has responded to several questions submitted by the contractor.

Seven contractors attended the mandatory pre-bid site meeting on September 5, 2024.

On September 24, 2024, the Department received the following four bids:

Contractor Name	Bid Amount
Advance Industrial Services, Inc.	\$ 1,597,600.00
Skyway, U.S.A.	*\$ 1,820,550.00
USG Water Solutions/Utility Service Co.	\$ 1,888,800.00
Speiss Const. Co., Inc.	\$ 1,981,225.00

**Construction Contract for the County Service Area 64 Spring Valley
Lake – Recoating Tanks 2A and 2B Project
December 3, 2024**

*Non – Responsive

Following a comprehensive evaluation of the four bids submitted to the Department, it was determined that one bidder was non-responsive due to the incomplete signature of the original bid bond and the bidder information of the bid document package. The Department recommends awarding the construction contract to Advance Industrial Services, Inc., as it has been established as the lowest responsive and responsible bidder. No appeal or protest letters were received.

Upon approval from the Board, construction is anticipated to commence in January 2025 and is projected to be completed by December 2025.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Sophie A. Curtis, Deputy County Counsel, 387-5455) on November 6, 2024; Auditor-Controller/Treasurer/Tax Collector (Charlene Huang, Auditor-Controller Manager, 382-7022) on November 10, 2024; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on November 8, 2024; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on November 14, 2024.

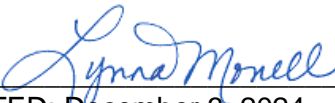
**Construction Contract for the County Service Area 64 Spring Valley
Lake – Recoating Tanks 2A and 2B Project
December 3, 2024**

Record of Action of the Board of Supervisors
Board Governed County Service Areas

APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY  _____
DATED: December 3, 2024



cc: BGCSA - Viloría w/agree
 Contractor - c/o BGCSA w/agree
 File - w/agree
CCM 12/6/2024