

**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** APRIL 25, 2017

**TO:** BOARD OF DIRECTORS  
Lake Arrowhead Community Services District

**FROM:**   
AIDA HERCULES-DODARO, District Engineer

  
CATHERINE CERRI, General Manager

**SUBJECT: CONSIDER ACCEPTING THE BERNINA TANK #1 COATING PROJECT No. 156**

**A. RECOMMENDATION**

It is recommended that the Board of Directors accept the work as performed by Simpson Sandblasting & Special Coatings, Inc. (Simpson) as complete under the construction contract for the Bernina Tank #1 Coating Project No. 156 ("Project").

**B. REASON FOR RECOMMENDATION**

The project is complete.

**C. BACKGROUND INFORMATION**

As the Board may recall, the failed coating of the interior of Bernina Tank #1 was discovered by our consultant Dive/Corr, Inc. during a routine inspection. Our consultant recommended to re-coat the interior of the tank as soon as funds became available. This event was brought to the Board as an information item and due to the urgency of the matter, staff started appropriating funds and generating plans and specifications to go out to bid.

On September 29, 2016, the District received six (6) bids for the construction of the Project. On October 11, 2016, the Board of Directors awarded the construction contract for the project to Simpson for their low responsive and responsible bid of \$113,000.

There was one (1) change order on this contract in the amount of \$20,276.07, which adjusted the contract price to \$133,276.07. Change Order No. 1 (CO #1) consists of the repair of additional damage discovered during the blasting phase of the project to remove the coating and rust tubercles. Furthermore, the cleaning of the tank floor from the fallen debris from the roof underside revealed further damage. These items plus other additional items such as, removal of unneeded pipes and rods that could be potential sources of corrosion if left in the

tank, bird screen replacement and welding of plates on corroded metal, to name a few. Also, a five (5) day time extension was granted to the Contractor to accomplish the items included in this change order.

CO #1 adjusted the contract price by \$20,276.07, which represents almost 18% of the original contract price. On October 11, 2016, the Board authorized the General Manager to approve change orders up to 15% of the contract price. However, considering the nature of the work and the small window to complete the Project the additional work was authorized to continue. On November 8, 2016, the Board was informed about the additional work exceeding the authorized 15% and the circumstances of the changes and, on December 13, 2016, the Board ratified CO #1.

The Project was completed on time; however, in December 2016, staff discovered some coating failure occurring on the bottom 3 feet of the tank. The contractor was contacted on January 3, 2017, and immediately responded with an action plan to investigate the root of the problem and repair the failed coating. The repair, curing time, additional testing and disinfection were completed on February 9, 2017.

#### **D. FISCAL INFORMATION**

This project was not a budgeted item and funding in the amount of \$133,276.07 was provided by the Water Capital Improvement Fund 110.