



OPERATIONS COMMITTEE

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Agenda Report

File #: 2021-1809

Agenda Date: 11/3/2021

Agenda Item No: 2.

FROM: James D. Herberg, General Manager
Originator: Rob Thompson, Assistant General Manager

SUBJECT:

OPERATIONS AND MAINTENANCE COATING REHABILITATION PROGRAM ON-CALL SERVICE CONTRACT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Service Contract for Operations and Maintenance Coating Rehabilitation Program On-Call Services with Arena Painting Contractors Inc., per Specification No. S-2021-1264BD, for a total amount not to exceed \$628,182 per year, for the period of December 7, 2021 through December 6, 2022, with four optional, one-year renewals; and
- B. Approve an annual contingency of \$62,818 (10%).

BACKGROUND

The Orange County Sanitation District (OC San) facilities are exposed to corrosive atmospheres associated with a wastewater environment and proximity to the ocean. To protect metal and other vulnerable materials from this corrosive environment, it is necessary to provide periodic maintenance coatings to exposed surfaces. The application of maintenance coatings allows for extended useful life of these assets and prevents corrosion-related failures.

RELEVANT STANDARDS

- Maintain a proactive asset management program
- Protect OC San assets

PROBLEM

Non-critical/routine coatings are applied by Facility Maintenance staff. Large or complex coating projects requiring large crews and specialty equipment are beyond the capability of OC San staff. These jobs are currently bid out project by project. This bidding process is costly and time-consuming.

PROPOSED SOLUTION

Due to the numerous assets in the treatment plants and pump stations requiring preventative and corrective coatings maintenance, a programmatic approach utilizing external resources is required to ensure timely and regular coating applications. The services of a qualified on-call coating contractor are recommended to meet this need.

Staff recommends moving to a more streamlined On-Call Services Contract approach for maintenance coating application. This approach will decrease cost by taking advantage of economies of scale, reduce costs associated with multiple procurements, and decrease the time required to start individual coating tasks. The unit pricing with estimated quantities approach allows for competitive bidding annually rather than bidding custom specifications on a task-by-task basis.

Staff recommends Arena Painting Contractors Inc. be awarded the Operations and Maintenance Coating Rehabilitation Program On-Call Services Contract to perform coating services at the treatment plants and pump stations.

TIMING CONCERNS

Timely approval of the Service Contract will reduce procurement costs and enable periodic coating required for the preservation of OC San assets, improving longevity and mitigating potential asset failures due to structural corrosion.

RAMIFICATIONS OF NOT TAKING ACTION

There will be a need to allocate additional in-house resources to meet the maintenance coating needs as allowing the assets to corrode is generally not an option.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San issued a Notice Inviting Bids on July 30, 2021, for the Operations and Maintenance Coating Rehabilitation Program On-Call Contractor Services, per Specification No. S-2021-1264BD. Three sealed bids were received on August 31, 2021. The bids were evaluated in accordance with OC San policies and procedures. Summary information of the bids received is as follows:

Bidder	Amount
Arena Painting Contractors Inc.	\$628,181.60
Cor-Ray Painting Co.	\$884,166.40
Shimmick Construction, Inc.	\$6,664,778.00

Staff recommends approving the service contract with the lowest responsive and responsible bidder, Arena Painting Contractors Inc., for the Operations and Maintenance Coating Rehabilitation Program On-Call Contractor Services.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the OC San Purchasing Ordinance. This recommendation will be funded under the Repair and Maintenance line item for Operations and Maintenance Department (Budget Update - Fiscal Year 2021-2022, Page 45). The available funding is sufficient for this action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
11/17/2021	\$628,182	\$62,818 (10%)

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Draft Service Contract

RM:if:ab:qc