



REVISED

ITEM NO.
5.3

BOARD MEMORANDUM

DATE: March 8, 2021

TO: Board of Directors

FROM: Mike Alvord
Director of Operations & Maintenance

SUBJECT: Approve a Change Order to the Contract for Newhall Tank 2 Interior Recoat and Repair

SUMMARY

On November 17, 2020, the Santa Clarita Valley Water Agency Board of Directors adopted a resolution awarding a contract to Simpson Sandblasting & Special Coatings for the Newhall Tank 2 Interior Recoat and Repair project. Additional work beyond the original contract documents is required because of unforeseen conditions. To date, there have not been any change orders issued under the General Manager's authority. SCV Water's (Agency) Purchasing Policy requires Board authorization for change orders over four percent (4%) of the original contract amount. This change order request is approximately fifteen percent 15% over the original contract amount. Staff is recommending approval of this change order.

DISCUSSION

The original approved contract amount of \$261,000 included interior recoating and some structural repairs to the internal rafters. Simpson Sandblasting & Special Coatings, Inc., has subcontracted the structural repair work to Speiss Construction Co., Inc. Staff also contracted with Cannon Engineering to provide structural design and recommendations. Upon review of the initial dive inspection report and after field visits it was concluded that the rafter repairs would only require additional bracing support.

However, after the tank was taken out of service and drained, it was subjected to a severe windstorm event. After the construction crews remobilized and entered the tank, it was observed that additional rafter damage had occurred. Based on review and documentation from both contractor and structural engineer, it was determined that the additional damage was caused by the high winds. The repeated cycles of wind loads lifting and dropping the roof plates on the joists has caused the joists to move further out of alignment. Therefore, it was concluded that the rafters will now need additional straightening and the additional exposed areas will also require recoating.

Staff has reviewed the proposed additional work with the contractor and structural engineer and finds the proposal acceptable for the additional work that is needed. The change order estimate is \$40,453.68, which equates to approximately 15.5% of the total contract price. This would increase the total project cost to just over \$300,000.

On March 4, 2021, the Engineering and Operations Committee considered staff's recommendation to approve a Change Order to the Contract for Newhall Tank 2 Interior Recoat and Repair.

FINANCIAL CONSIDERATIONS

Funding for the Newhall Tank 2 Interior Recoat & Repair project is provided through the CIP budget and is included in the FY2020-21 Budget in the amount of \$500,000.

RECOMMENDATION

The Engineering and Operations Committee recommend that the Board of Directors approve the General Manager to execute the change order in the amount of \$40,500 to the original contract amount of \$261,000 for the Newhall Tank 2 Interior Recoat & Repair to Simpson Sandblasting & Special Coatings, Inc.