



PALMDALE WATER DISTRICT

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May 16, 2013

***Agenda for a Meeting
of the Facilities Committee of the Palmdale Water District
Committee Members: Robert Alvarado-Chair, Gordon Dexter
to be held at the District's office at 2029 East Avenue Q, Palmdale***

Tuesday, May 21, 2013

5:00 p.m.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

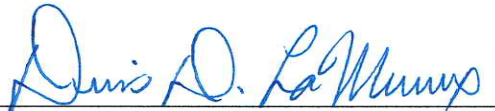
Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Roll Call.
- 2) Adoption of Agenda.
- 3) Public Comments.
- 4) Action Items: (The public shall have an opportunity to comment on any action item as each item is considered by the Committee prior to action being taken.)

- 4.1) Consideration and possible action on approval of minutes of regular meeting held April 23, 2013.
- 4.2) Consideration and possible action on agreement for water storage tank maintenance services. (\$319,100.00/year for 5-years – Budgeted – Engineering Manager Knudson)
- 5) Information Items.
 - 5.1) Update on Facilities Committee goals and District projects. (Chair Alvarado)
 - 5.2) Update on pending water quality regulations. (Operations Manager Thompson II)
 - 5.3) Other.
- 6) Board members' requests for future agenda items.
- 7) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE:	May 16, 2013	May 21, 2013
TO:	FACILITIES COMMITTEE	Committee Meeting
FROM:	Mr. Matthew Knudson, Engineering Manager	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	<i>AGENDA ITEM NO. 4.2 – CONSIDERATION AND POSSIBLE ACTION ON AGREEMENT FOR WATER STORAGE TANK MAINTENANCE SERVICES.</i>	

Recommendation:

Staff recommends that the Committee approve the attached maintenance service agreement with Superior Tank Solutions, Inc. in the not-to-exceed amount of \$319,100/year for the next five (5) years to renovate and maintain six of the District's existing water storage tanks per AWWA D 102-06 standards.

Superior Tank Solution's fee structure addresses the annual cost for the prescribed work scope. The total cost for the prescribed work scope and maintenance can be obtained by multiplying the annual cost by five. The immediate renovation costs and the maintenance costs are spread over a period of five (5) years. At the completion of this five-year term, the District can extend the Maintenance Program furnished by Contractor for up to ten (10) additional one (1) year renewal periods at a cost of \$21,500/year.

Project Background:

The District currently has twenty-one (21) water storage tanks in the system totaling fifty-two (52) million gallons of storage. Attached is a table that lists the location, size, type, and year constructed for each of the District's tanks and are sorted based on the year constructed. As you can see, a majority of the District's tanks were constructed within the last twenty years, and the coatings are in good condition. The tanks that are identified to be part of this program are highlighted on the attached spreadsheet, and as indicated, the exterior coating, interior coating, or both are in need of removal and replacement in order to maintain the structural integrity of the steel.

District staff has had a number of discussions with Superior Tank Solutions, Inc. regarding the scope of the proposed maintenance agreement to determine the approach and scope best suited for the District. Based on those discussions, staff recommends only including the tanks that are in a condition where immediate renovation is needed and not including those tanks that are in good condition as part of the renovation and maintenance program.

FACILITIES COMMITTEE
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

May 16, 2013

The District has also recently completed a six year program with Utility Services, Inc. on seven tanks that had some interior and exterior renovations as well. Those maintenance activities are shown on the attached spreadsheet. Staff did meet and request a competitive proposal from Utility Services, Inc. to perform this work but never received a proposal after contacting them several times. The proposal we received from Superior Tank Solutions, Inc. is 10% less than the previous contract with Utility Services, Inc. if you compare the surface area of coatings under this program vs. the previous program.

Strategic Plan Element

Strategic Goal 3.1 – Plan for improvements and expansion of existing water delivery infrastructure

Budget

The 2013 Budget includes \$315,000.00 under Budget Req. No. RCP04 for the 2013 payment of the tank rehabilitation and maintenance service agreement.

Supporting Documents

- Palmdale Water District Storage Tank Summary
- Proposed Agreement, Scope of Work, and Fee Structure

**PALMDALE WATER DISTRICT
STORAGE TANK SUMMARY**

TANK	CAPACITY (MG)	TANK MATERIAL	YEAR BUILT	INTERIOR RECOAT DATE	EXTERIOR REPAINT DATE
WELL NO. 14A	0.138	Bolted Steel	1958		
2.6 MG RESERVIOR	2.6	Welded Steel	1960	5/14/2009	2/6/2008
3 MG CLEARWELL	3	Welded Steel	1960	7/31/2008	7/31/2008
ANA VERDE TOVEY	0.3	Welded Steel	1963	1/9/2009	7/10/2000
UPPER EL CAMINO (3900)	0.3	Welded Steel	1963	6/1/2012	1/16/2002
WELL NO. 5	0.126	Welded Steel	1963		
WELL NO. 18/19	0.041	Bolted Steel	1969		
25TH STREET NO 1	2	Welded Steel	1976	11/21/2008	9/18/2007
25TH STREET NO 2	4	Welded Steel	1987	2015	8/31/2007
45TH STREET NO 1	3	Welded Steel	1987	10/30/2008	12/19/2006
47TH STREET NO 1	2	Welded Steel	1987		2013
5 MG RESERVOIR	5	Welded Steel	1987		2014 - Spot Repairs
LOWER EL CAMINO	2	Welded Steel	1988	2011 - Spot Repairs	2013
45TH STREET NO 2	4	Welded Steel	1990	2014	7/26/2006
47TH STREET NO 2	3	Welded Steel	1990	2013	2013
WALT DAHLITZ	1.5	Welded Steel	1992		
EL CAMINO UNDERGROUND	1.5	Concrete	1994		
6 MG CLEARWELL	6	Welded Steel	1998		
50TH STREET NO 1	4	Welded Steel	2005		
45TH STREET NO 3	4	Welded Steel	2006		
50TH STREET NO 2	4	Welded Steel	2006		

AGREEMENT

This Agreement is entered into this ____ day of May, 2013 by and between PALMDALE WATER DISTRICT ("District") and SUPERIOR TANK SOLUTIONS, INC. ("Contractor").

District and Contractor agree as follows:

1. **Provision of Services and Materials.** Contractor shall perform the services and furnish the materials as set forth in the Scope of Work described in Paragraph 2, below. Such services shall be referred to as the "Work." Contractor shall furnish all labor, material, tools, and equipment necessary to accomplish the Work and shall remove all unnecessary items upon completion of the Work.

2. **Scope of Work.** Contractor shall provide the services set forth on the Scope of Work and projected work schedules attached hereto as Exhibit A, which is fully incorporated herein by this reference.

3. **Compensation and Payment; Term.** The District shall pay Contractor a total contract amount of \$1,595,500.00 for the Work, to be payable in five (5) equal installments of \$319,100.00 during the five (5) year term of this Agreement, commencing June 1, 2013 and continuing through May 31, 2018, to be paid as provided in the "Pricing" provisions of Exhibit A hereto. Upon expiration of the five (5) year term of this Agreement, the District can extend the Maintenance Program furnished by Contractor for up to ten (10) additional one (1) year renewal periods, from 2018 through and including 2027, at a cost of \$21,500 per year, and for additional periods thereafter in accordance with the "Pricing" provisions set forth in Exhibit A hereto. The District shall notify Contractor in writing on or before May 15 of each year for which the District desires such extension of the Maintenance Program to continue; provided that such notice may apply to extensions for multiple years as set forth in the notice.

4. **License.** Contractor represents and warrants that it now possesses, and at all times during performance of the Work will possess the necessary contractor's license required by law to enable the Contractor to perform the Work contemplated under this Agreement. Contractor shall provide District with its Contractor's license number and expiration date, and shall present satisfactory evidence that its license is in good standing.

5. **Supervision and Superintendence.** The Contractor shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with this Agreement. The Contractor shall be solely responsible for the means, methods, techniques, sequences and procedures in completing the Work. Contractor shall only utilize skilled workers to perform any part of the Work that requires special qualifications.

6. **Independent Contractor Status.** Contractor is an independent contractor and will maintain complete control of and responsibility for its employees, subcontractors, and agents.

Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such time and attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with this Agreement.

7. Bond Requirements. Contractor shall provide, at Contractor's expense, a Payment Bond, on the mandatory form attached hereto, prior to commencing the Work. The Payment Bond shall be in the sum of \$1,000,000.00, and shall be placed with a surety or sureties satisfactory to the District. The cost of such bond shall be included in the compensation set forth in Paragraph 3, above.

8. Indemnification. Contractor shall, to the extent permitted by law, indemnify, defend and hold harmless the District and its directors, officers, employees, agents and representatives from and against all claims, liabilities, damages, losses or expenses to the extent arising out of the performance of the Work by Contractor or its employees, agents or subcontractors. The claims, liabilities, damages, losses or expenses covered hereunder include, but are not limited to, settlements, judgments, court costs, attorneys' fees and other litigation expenses, fines and penalties arising out of actual or alleged: (a) injury to or death of any person, including employees of Contractor or District, or (b) loss of or damage to property, including property of Contractor or District, or (c) breach of contract, or (d) damage to the environment. The indemnification obligations under this Paragraph 8 shall not be restricted to insurance proceeds, if any, received by either party or any of their respective directors, officers, employees, agents and/or volunteers.

9. Insurance.

A. The Contractor shall not commence or continue to perform any work hereunder unless the Contractor, at its own expense, has in full force and effect, while the Work is in progress and for the full guarantee period: i) a commercial general liability insurance policy insuring against general bodily injury and property damage (ISO Commercial General Liability - Occurrence Form CG 0001) with a limit of not less than \$2,000,000 per occurrence and \$5,000,000 aggregate; ii) a policy insuring against automobile bodily injury and property damage (ISO Form Number CA 0001 (ed. 1/87) with a limit of not less than \$1,000,000 per occurrence, including owned, non-owned and hired autos, and providing coverage for loading and unloading; and iii) workers compensation insurance, in accordance with the workers compensation laws of the State of California. All such policies shall be considered primary in relation to any other insurance maintained by the District and such other insurance maintained by the District shall be considered excess insurance, and not contributing insurance with respect to the insurance required herein. Each policy of insurance, except for workers compensation, shall be endorsed to name the District as an additional insured, and to state that the policy shall not be cancelled, reduced or materially modified without at least thirty (30) days' written notice to the District. Contractor shall provide the District with a certificate evidencing such insurance. Contractor shall not permit any subcontractor to perform work on this project unless all workers' compensation insurance requirements have been complied with by such subcontractor. The Contractor shall defend, protect and save harmless the District and its directors, officers, employees, agents and volunteers from and against all claims, suits and actions arising from

any failure of the Contractor or any subcontractor to maintain such workers' compensation insurance.

B. Insurers must be authorized to do business and have an agent for service of process in California and must have an "A" policyholder's rating and a financial rating of at least Class X in accordance with the most current Best's Rating.

C. Any failure of any Contractor-provided insurance to at least match the insurance requirements of this article, whenever such failure is discovered, shall not be the basis on any legal theory whatsoever for any lessening whatsoever of Contractor's financial responsibilities under this Contract for risks described in this Paragraph 9. Nothing contained in the insurance requirements shall be construed as limiting the extent of the Contractor's responsibility for payment of greater damages resulting from the Contractor's operations under this Agreement.

10. Time for Completion. Contractor shall coordinate with the District the Work to be performed under this Agreement and shall diligently undertake such Work, to complete it in accordance with the "Project Timeframe" provisions of Exhibit A hereto in as prompt a manner possible in order to minimize any impacts to the operation of the District's water storage and distribution system. Time is of the essence in this Agreement.

11. Acceptance and Final Cleanup. Upon completion of each phase of the Work, Contractor shall notify the District, which shall inspect the Work and, if, in the District's sole discretion, it is satisfied with the Work, accept that phase of the Work in writing. Upon completion of the Work, the Contractor shall clean the grounds occupied in connection with the Work of all rubbish, excess materials and equipment, and all parts of the Work and grounds occupied shall be left in a neat and presentable condition. In the event the Contractor fails to clean up as specified herein, clean up may be performed by the District at the Contractor's expense.

12. Warranty. The Contractor shall perform its work in accordance with the standards of care and diligence customary in the industry. The District shall notify the Contractor of any defects in the Work and Contractor shall promptly repair any such defect at no additional cost to the District. During the term of this Agreement, and during any extension of the Maintenance Program under Section 3, above, Contractor shall inspect the Work at least annually, as set forth in the "Maintenance Program Projected Schedules" attached hereto as Exhibit A, and shall promptly repair any defects noted.

13. Prevailing Wage. The Contractor shall comply with Labor Code Section 1775. In accordance with said Section 1775, the Contractor shall forfeit as a penalty to the District such amount as the Labor Commissioner shall determine for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under the Agreement by them or by any subcontractor under them in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion

thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.

14. Termination for Cause. If the Contractor refuses or fails to prosecute all or any part of the Work in accordance with this Agreement, or if the Contractor is adjudged a bankrupt, or makes a general assignment for the benefit of its creditors, or if a receiver is appointed on account of its insolvency, or if the Contractor or any of its subcontractors violate any of the provisions of the Agreement, or refuse or fail to supply enough properly skilled workers or proper materials to complete the Work in the manner specified, or the Contractor fails to make prompt payment to subcontractors or for material or labor, or if the Contractor disregards any laws or ordinances, or instructions given by the District, the District may, without prejudice to any other right or remedy, serve written notice upon the Contractor and its surety of its intention to terminate the Agreement. Any such notice by the District shall set forth the reasons for the intended termination of the Agreement, and unless within ten (10) days after the service of such notice such violations shall cease and satisfactory arrangements for the corrections thereof be made, the Agreement shall upon the expiration of said ten days cease and terminate. In such case, the Contractor shall not be entitled to receive any further payment until the Work is finished. Upon termination as provided above, the District shall immediately give written notice to the surety and the Contractor, and the surety shall have the right to take over and perform the Agreement; provided, however, that if the surety within fifteen (15) days after receipt of a notice of termination does not notify the District in writing of its intention to take over and perform the Agreement, or does not commence performance of the Work within thirty (30) days from the date of serving said notice, the District may take over the Work and prosecute the same to completion by contract or by any other method it may deem advisable for the account and at the expense of the Contractor, and the Contractor's surety shall be liable to the District for any excess cost or other damage incurred by the District thereby. For any portion of such work that the District elects to complete by furnishing its own employees, materials, tools, and equipment, the District shall be compensated in accordance with the usual hourly salaries paid to such employees who perform the required work.

15. Termination Without Cause. Notwithstanding Section 14, the District may terminate this Agreement without any cause as described in Section 14, above, by giving Contractor at least twenty (20) days written notice of such termination and Contractor shall cease performing all Work, unless otherwise authorized in writing by the District. In the event of such termination without cause, the District shall, within thirty (30) days of receipt of an invoice from Contractor describing such completed Work, pay Contractor the reasonable value of all Work completed by Contractor prior to the date of the notice of termination. The District shall thereafter be released from any further liability for any remaining sums due under this Agreement.

16. Notices. Unless otherwise provided in this Agreement, any notice, tender, or delivery to be given under this Agreement by either party to the other may be effected by personal delivery in writing, by facsimile or by registered or certified mail, postage prepaid, return receipt requested, and will be deemed communicated as of time of delivery for personal delivery, the time any such facsimile transmission is complete or two (2) days after mailing. Mailed notices must be addressed

as set forth below, but each party may change its address by written notice in accordance with this paragraph.

If to District: Palmdale Water District
Attention: General Manager
2029 East Avenue Q
Palmdale, CA 93550-4050
(661) 947-4111; Fax: (661) 947-8604

If to Contractor: Superior Tank Solutions, Inc.
Attention: Mr. John Hake
9500 Lucas Ranch Road
Rancho Cucamonga, CA 91730
(661) 400-1634; Fax: (661) 722-9890

17. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, void or unenforceable for any reason, the remaining provisions shall continue in full force and effect without being impaired or invalidated in any way. If the court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would then become valid and enforceable, then such provision shall be deemed written, construed and enforced as so limited taking into account the intent of the parties at the time of executing this Agreement.

18. Assignment. In employing Contractor to perform the Work contemplated under this Agreement, District has relied on the experience, expertise and integrity of Contractor. The rights and obligations of Contractor under this Agreement shall therefore not be assignable without the prior express written consent of District.

19. Entire Agreement. This Agreement constitutes the entire Agreement of the parties with respect to the subject matter, and no amendment, modification or alteration of the terms hereof shall be binding unless the same is in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties.

20. Binding Effect. This Agreement will be binding on and inure to the benefit of the parties to this Agreement and their heirs, personal representatives, successors and assigns.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. Venue and Jurisdiction. This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of California. Venue for all purposes shall be deemed to lie within Los Angeles County, California, and any action to

enforce this Agreement or for any remedies, damages, or other relief shall only be brought in either the State courts of the State of California in and for the County of Los Angeles.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date specified above.

“District”
Palmdale Water District

By: _____
Dennis LaMoreaux, General Manager

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of this contract.

“CONTRACTOR”

SUPERIOR TANK SOLUTIONS, INC.

License No. 939335
Expiration Date: 10/31/2013

By: _____
Title: _____

NOTE: Contractor shall furnish, to the satisfaction of District's legal counsel, verification that the persons signing this Agreement as Contractor or on behalf of the Contractor have authority and legal authorization to bind the Contractor.

Contractors are required by law to be licensed and regulated by the Contractors’ State License Board, which has jurisdiction to investigate complaints against contractors if a complaint is filed within three years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors’ State License Board, P.O. Box 26000, Sacramento, California 95826.

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, SUPERIOR TANK SOLUTIONS, INC., hereinafter referred to as "Contractor," as principal, and _____, as surety, are held and firmly bound unto Palmdale Water District, hereinafter referred to as "District," in the sum of \$1,000,000.00, lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and/or assigns, jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such that,

WHEREAS, said Contractor has been awarded and is about to enter into a contract with District for work as specifically set forth in Exhibit A to the Agreement between the parties, and is required under the terms of the Agreement to give this bond in connection with the execution of said contract:

NOW, THEREFORE, if Contractor, or any of its subcontractors, fails to pay for any materials, equipment, or other supplies, or for rental of same used in connection with the performance of work contracted to be done or for work or labor thereon of any kind, or fails to pay any of the persons named in Section 9100, California Civil Code or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant or for any amounts required to be deducted, withheld and paid to the Employment Development Department from the wages of employees of the Contractor and its subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor and all other applicable laws of the state of California and rules and regulations of its agencies, then said surety will pay for the same in an amount not exceeding the sum specified above. This bond shall inure to the benefit of any persons named in Civil Code Section 9100, so as to give a right of action to them or their assigns in any suit brought upon this bond. This bond shall be subject to and include all of the provisions of Titles 1 and 3, as applicable, of Part 6 of Division 4 of the Civil Code of the State of California relating to Payment Bond for Public Works, including but not limited to Civil Code Sections 8152 and 8154 and 9550-9560, inclusive.

PROVIDED, that any alterations in the work to be done, or the material to be furnished, which may be made pursuant to the terms of said Agreement, shall not in any way release either the Contractor or the surety thereunder, nor shall any extensions of time granted under the provisions of said Agreement release either the Contractor or the surety, and notice of such alteration or extensions of the Agreement is hereby waived by the surety.

WITNESS our hands this _____ day of _____, 2013

Contractor:
SUPERIOR TANK SOLUTIONS, INC.

By: _____
Title: _____

Surety: _____
By: _____
Title: _____
Home Office Address: _____

Phone: _____
Attorney-in-Fact: _____

Address: _____

Phone: _____

NOTE: This bond must be acknowledged before notary publics, and a legally sufficient power of attorney must be attached to the bond to verify the authority of any party signing on behalf of a surety.

PALMDALE WATER DISTRICT 2013 TANK REHABILITATION AND MAINTENANCE PROGRAM

BACKGROUND:

In conjunction with information compiled by the District and through independent inspections, a work scope was developed to rectify the most critical issues impacting the District's welded steel potable water storage tanks. The following information identifies each of the subject tanks and the prescribed work scope applicable to each tank. Additionally, the time frame associated with the completion of the work on each tank is addressed along with the overall cost structure.

All prioritized work can be divided in to four categories of service as follows:

1. Interior Coating Removal, Steel Repairs, Installation of a New Interior Coating System and Implementation of an Ongoing Tank Maintenance Program
2. Exterior Coating Repairs and Full Over-Coating
3. Exterior Coating Repairs Only
4. Initiation of an Ongoing Tank Maintenance Program

The following overview defines the specific work scope for each of these categories of service and tanks that require this service to be performed.

INTERIOR COATING REMOVAL, STEEL REPAIRS, INSTALATION OF A NEW COATING SYSTEM AND IMPLEMENTATION OF AN ONGOING MAINTENANCE PROGRAM:

Three tanks require this work as detailed below:

- 25th Street 4.0 MG Welded Steel Tank
- 45th Street 4.0 MG Welded Steel Tank
- 47th Street 3.0 MG Welded Steel Tank

The rehabilitation work scope applicable to these three tanks is as follows:

- Employ confined space entry procedures, enter tank and remove residual sediment.
- Abrasive blast interior surfaces to an SSPC SP10 "Near White Metal" cleanliness
- Impart a 2.0 Mil surface profile minimum
- Apply two coats of an NSF 61 approved epoxy coating achieving a total thickness of 8-12 mils
- Stripe coat all irregular surfaces to insure full coverage
- Holiday detect all immersion surfaces per NACE RPO 188
- Test and dispose of all waste abrasive
- Clean site to pre-work conditions
- Ventilate tank to insure proper curing of the coating system
- Disinfect tank per AWWA C.652 Spray Method #2
- Supply and install new man-way gaskets and seal tank upon completion
- All work shall conform to AWWA D.102-06 "Inside Coating System #1" recommendations.

INTERIOR COATING REMOVAL, STEEL REPAIRS, INSTALATION OF A NEW COATING SYSTEM AND ONGOING MAINTENANCE PROGRAM (continued):

The ongoing maintenance work scope applicable to these three tanks is as follows:

- Wash-out warrantee inspection and repairs 11 months after completion of interior renovation.
- Perform annual professional visual inspections through 2017
- Perform 2nd wash-out inspections in years 2016 - 2017.
- Perform localized coating repairs in conjunction with 2nd wash-out.
- Provide emergency services as necessary through 2017.

EXTERIOR COATING REPAIRS AND FULL OVER-COATING:

Three tanks require this work as detailed below:

- 47th Street 2.0 MG Welded Steel Tank
- 47th Street 3.0 MG Welded Steel Tank
- Lower El Camino 2.0 MG Welded Steel Tank

The work scope applicable to these three tanks is as follows:

- Pressure water wash tank exterior surfaces at 3,500 psi using pressurized water
- Spot prepare localized defect areas exhibiting bare steel per SSPC SP3 requirements
- Smoothly feather transition area between bare steel and intact coatings
- Apply an epoxy coating to bare steel surfaces achieving a total thickness of 3-5 mils
- Apply a full coat of epoxy coating to entire exterior achieving a total thickness of 3-5 mils
- Apply a full coat of urethane topcoat to entire exterior achieving a total thickness of 2-3 mils
- District to choose specific color of topcoat
- Clean site to pre-work conditions

Note: The known presence of lead in the exterior coatings on each of the above noted tanks will require the implementation of lead abatement procedures that fulfill all Federal, State and Local regulatory requirements.

EXTERIOR COATING REPAIRS ONLY:

One tank requires this work scope as detailed below:

- Old Nadeau 5.0 MG Welded Steel Tank

This work scope is predicated on the fact that the existing exterior coating system on this tank is relatively uniform and intact. The required repairs are aesthetic in nature and are required to eliminate the color differentiation adjacent to the exterior ladder and cage assembly. Although some color and sheen differentiation will be unavoidable, this repair operation will minimize the color discrepancy and provide a straight repair line to match the vertical lines of the ladder and cage assembly. The disturbance of existing coatings will be performed in strict compliance with Federal, State and Local regulatory requirements.

ONGOING TANK MAINTENANCE:

Three tanks require this work as detailed below:

- Treatment Plant 2.6 MG Welded Steel Tank
- Old Clear-Well 3.0 MG Welded Steel Tank @ Sierra Hwy & Ave. S
- 25th Street 2.0 MG Welded Steel Tank

The work scope applicable to these three tanks is as follows:

- Inspect tanks in 2013 to verify the absence of catastrophic failures from recent rehabilitations
- Perform annual professional visual inspections through 2017
- Perform wash-out inspections in 2013 and 2017.
- Perform localized coating repairs in 2013 and 2017 as necessary
- Provide emergency services as necessary

PRICING:

The total pricing for the performance of the entire work scope detailed above is as follows:

- | | |
|--------|-----------|
| • 2013 | \$319,100 |
| • 2014 | \$319,100 |
| • 2015 | \$319,100 |
| • 2016 | \$319,100 |
| • 2017 | \$319,100 |

Upon completion and payment of this 5 year contract, all of the above work will be completed and paid in full. Because of the cost spread and the work scheduling (as detailed in the following section), the actual cost of the work performed will more that the amount paid by the District through 2016. All corporate profitability will be gained in the 2017 payment after the final portions of project costs are paid.

The first mile stone for work completion will be at the completion of interior rehabilitation on the 47th Street 3.0 MG Tank and the completion of exterior over-coating of the Lower El Camino Tank and both 47th Street Tanks. Upon completion of this work the first payment will be invoiced to the District. The subsequent four payments will be invoiced annually on this date.

The second mile stone for work completion will be at the completion of the 45th Street 4.0 MG Tank and the repair work on the Old Nadeau Tank. In the event that the 45th Street 4.0 MG Tank interior and the Old Nadeau Repair work is not completed prior to the second anniversary date in 2014, the District's payment can be delayed until this tank is completed.

The third mile stone for work completion will be at the completion of the 25th Street 4.0 MG Tank. In the event that the 25th Street 4.0 MG Tank interior is not completed prior to the third anniversary date in 2015, the District's payments can be delayed until this work is completed.

PRICING (Continued):

If the District chooses to continue the Tank Maintenance Program on the six tanks (25th Street 2.0 MG, 25th 4.0 MG, 45th 4.0 MG, 47th 3.0 MG, Old Clear Well, and Treatment Plant) covered through 2017, the cost to continue this program after 2017 on all six tanks is as follows:

2018	\$21,500/year	2023	\$21,500/year
2019	\$21,500/year	2024	\$21,500/year
2020	\$21,500/year	2025	\$21,500/year
2021	\$21,500/year	2026	\$21,500/year
2022	\$21,500/year	2027	\$21,500/year

Note: Upon completion of this 10 year term (2018 – 2027), the continuation of the maintenance program can be accomplished over the following 10 years time increment (2028 – 2037) with an inflationary adjustment capped at 10%. On this basis, the maximum possible inflationary adjustment will increase the annual maintenance fee to \$23,750/year for years 2028 thru 2037. The District can cancel the maintenance program at any time with no penalty. All pricing is predicated on each of the subject tanks being dewatered by the District. STS will remove (and reinstall) man-way covers and remove all silt and residual water after the tank is drained. The District is responsible for valve lock-out procedures to ensure that water flow into the tank is discontinued until the specific interior operation is completed.

PROJECT TIMEFRAME:

It is anticipated that the schedule detailed below will be required to complete the proposed work scope for each of the subject tanks. The focus of this scheduling is to complete a reasonable amount of work for the District each year. This scheduling will permit the work to be performed at times when the District can feasibly incur tank outages while allowing the work to be performed in climates conducive to proper surface preparation, coating application and curing.

The work has been coordinated to address the most severely degraded tanks first. In the event that unforeseen circumstances increases the priority of work on tanks not scheduled to be immediately renovated, the scheduling of this tank work will be accelerated at no change to the above noted pricing schedule.

INTERIOR COATING REMOVAL, STEEL REPAIRS, INSTALATION OF A NEW COATING SYSTEM AND ONGOING MAINTENANCE PROGRAM:

2013 – 1st and 2nd Quarter

- 47th Street 3.0 MG Welded Steel Tank

2014 – 1st and 2nd Quarter

- 45th Street 4.0 MG Welded Steel Tank

2015 – 1st and 2nd quarter

- 25th Street 4.0 MG Welded Steel Tank

INTERIOR COATING REMOVAL, STEEL REPAIRS, INSTALATION OF A NEW COATING SYSTEM AND ONGOING MAINTENANCE PROGRAM (Continued):

The ongoing maintenance work scope applicable to these three tanks is as follows:

- Wash-out warrantee inspection and repairs 11 months after completion of interior renovation.
- Perform annual professional visual inspections through 2017
- Perform 2nd wash-out inspections in years 2016 - 2017.
- Perform localized coating repairs in conjunction with 2nd wash-out
- Provide emergency services as necessary

EXTERIOR COATING REPAIRS AND FULL OVER-COATING:

2013

- Lower El Camino 2.0 MG Welded Steel Tank
- 47th Street 3.0 MG Welded Steel Tank
- 47th Street 4.0 MG Welded Steel Tank

No ongoing work is applicable to these tanks. A warrantee inspection will be performed on these tanks 11 months after completion of the exterior over-coating operation. All defects will be satisfactorily repaired at this time.

EXTERIOR COATING REPAIRS:

2014

- Old Nadeau Tank

No ongoing work is applicable to this tank. A warrantee inspection will be performed on this tank 11 months after completion of the exterior repair operation. All defects in the newly repaired exterior coatings will be satisfactorily repaired at this time

ONGOING TANK MAINTENANCE:

The work scope applicable to the 25th Street 2.0 MG Tank, Treatment Plant Tank and the Old Clear Well Tank (as detailed below) is intended to seamlessly initiate upon completion of the existing maintenance program on these tanks. The scheduling for the work will be on an annual basis and include the annual professional inspections and wash-out inspections as previously detailed. Emergency service needs will be scheduled on an as-needed basis.

2013-2017

- 25th Street 2.0 MG Tank, Treatment Plant Tank, and Old Clear-well Tank
 - Wash-out, inspection and repairs in 2013
 - Perform annual professional visual inspections through 2017
 - Perform 2nd wash-out inspections in years 2016 - 2017.
 - Perform localized coating repairs in conjunction with 2nd wash-out
 - Provide emergency services as necessary



DEPARTMENT OF CONSUMER AFFAIRS

Contractors State License Board**Contractor's License Detail - License # 939335**

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.

Per [B&P 7071.17](#), only construction related civil judgments reported to the CSLB are disclosed.

Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.

Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

License Number	939335	Extract Date	5/14/2013
	SUPERIOR TANK SOLUTIONS INC		
Business Information	Business Phone Number: (909) 912-0580		
	9500 LUCAS RANCH ROAD		
	RANCHO CUCAMONGA, CA 91730		
Entity	Corporation		
Issue Date	10/26/2009		
Expire Date	10/31/2013		
License Status	ACTIVE		
	This license is current and active. All information below should be reviewed.		
Classifications	CLASS	DESCRIPTION	
	A	<u>GENERAL ENGINEERING CONTRACTOR</u>	
	CONTRACTOR'S BOND		
	This license filed a Contractor's Bond with		
	<u>SAFECO INSURANCE COMPANY OF AMERICA.</u>		
	Bond Number: 6622052		
	Bond Amount: \$12,500		
Bonding	Effective Date: 10/08/2009		
	BOND OF QUALIFYING INDIVIDUAL		
	1. The Responsible Managing Officer (RMO) MARQUEZ LEWIS ARTHUR certified that he/she owns 10 percent or more of the voting stock/equity of the corporation. A bond of qualifying individual is not required.		
	Effective Date: 10/26/2009		
	WORKERS' COMPENSATION		
Workers' Compensation	This license has workers compensation insurance with		
	GRANITE STATE INSURANCE COMPANY		

Policy Number: WC005564262

Effective Date: 08/26/2012

Expire Date: 08/26/2013

[Workers' Compensation History](#)

Personnel listed on this license (current or disassociated) are listed on other licenses.

Personnel List	Other Licenses
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