

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

November 13, 2017

Approval and Award for Oracle Jaynes Storage Tank and Site Coatings

Synopsis

The Board is being requested approve the storage tank coatings (interior and exterior) for the Oracle Jaynes storage tank and the external coatings of site appurtenances.

Background

The District operates 21 active steel storage tanks and two large concrete reservoirs. The tanks allow the District to meet the daily and peak water demands as a staging location between water production and distribution to customers. The 21 steel storage tanks are internally coated with an epoxy paint, approved for use in drinking water applications, to provide a barrier between the water and the steel. The barrier protects the steel from corrosion due to contact with the water. Over time the coating will fail permitting corrosion to start. American Water Works Association (AWWA) notes the life of an epoxy coating can be up to 20 years. The life of a coating is dependent on the environment it is exposed to and how well it was applied during installation, both factors can contribute to longer or shorter life spans.

Issues

The Oracle Jaynes storage tank has a capacity of 400,000 gallons and was constructed in 1971. The last interior coating replacement was in 1999. Replacement of the internal coating system is being recommended by staff to extend the life of the storage tank. To replace the interior coating the contractor will sand blast the interior of the tank to a near white metal. The sand blasting will remove all the existing coating and any corrosion. Once the tank is sand blasted it will be inspected for pitting and any required repairs to the steel.

The request for quotes (RFQ) offered an alternative to the standard coating system allowing the contractors to also submit an application for 100 percent solids coatings. The 100 percent solids coatings are very low in volatile organic compounds (VOC) that can be challenging to remove prior to service. Since the VOCs are low, the tank can be returned to service sooner than with the standard coating. The 100 percent solids also can be applied in one thicker coat providing better protection for the steel tank.

The exterior paint on the storage tank, generator, electrical panels, and piping has started to deteriorate. The contractors were also requested to provide a quote to paint the exterior of these appurtenances. The application would be a high pressure wash down of the equipment and power sand locations with existing paint sagging, spot prime any rusted areas, and apply one top coat of paint. The exterior work also includes the installation of the District logo on the storage tank.

Quotes were requested from both vendors listed on the City Tucson Cooperative Purchasing Contract: Painting and Other Related Services. The RFQ asked for a breakdown of pricing between the internal and external painting as well as a combined quote for all work. The RFQ noted the work, if awarded, may be done separately. Optional quotes were also requested for the use of the 100 percent solids coating. Below are the prices quoted by AO Painting and Wiese Painting Contractors Inc.

Interior Standard Coating:

AO Painting \$77,493.00
Wiese Painting \$168,000

Interior 100 Percent Solids:

AO Painting \$74,118.00
Wiese Painting: No Bid

External Tank and Site Coatings:

AO Painting not including Taxes or Bonds \$29,070.00
Wiese Painting including Taxes, Materials, and Labor \$10,587.51

Both contractors have performed work with the District and both do excellent work. AO Painting performed two interior coatings for the District in Fiscal Year 2017 that included the Jensen and Magee La Cholla Storage tanks. Wiese Painting performed two external coatings for the District in Fiscal Year 2017 that included Horizon Hills and New Linda Vista. The large price discrepancies between the two bids is due to each company's strengths in the different areas.

The District's Storage Tank Rehabilitation budget for Fiscal Year 2018 is \$94,000. Utilizing the low bidder in each category provides a total cost of \$84,705.51. The RFQ stated that internal and external coatings may be awarded separately. After receiving the bids, staff clarified the pricing from each vendor and confirmed no issues with separating the work.

Staff Recommendation

For the internal coating, AO Painting is the low bid in both the standard coating and the 100 percent solids coating. The 100 percent solids coating is a lower cost than the standard coating. It is recommended by staff that the Board approve the storage tank internal coating and award the work to AO Painting in the amount of \$74,118.00 and to authorize the General Manager to approve up to an additional \$5,000 for any unforeseen issues related to the work.

For the external tank coating and coating of site appurtenances, AO Painting did not separate the cost of their bonds and taxes between the internal and external coating. Even with these items not included in AO Painting's bid, Wiese Painting is the low bidder. It is recommended by staff that the Board approve the external coating and award the work to Wiese Painting Contractors Inc. in the amount of \$10,587.51 and to authorize the General Manager to approve up to an additional \$1,000 for any unforeseen issues related to the work.

Suggested Motion

I move to approve the storage tank internal coating and to award the work to AO Painting in the amount of \$74,118.00 and to authorize the General Manager to approve up to an additional \$5,000 for any unforeseen issues related to the work.

I move to approve the external coating and to award the work to Wiese Painting Contractors Inc. in the amount of \$10,587.51 and to authorize the General Manager to approve up to an additional \$1,000 for any unforeseen issues related to the work.

Respectfully submitted,

Steven D. Shepard
Utility Superintendent

I concur with the above-noted recommendation.

Respectfully submitted,

Joseph Olsen, P.E.
General Manager