



STAFF REPORT

AGENDA NO: 9h

MEETING DATE: February 17, 2026

To: Honorable Mayor and City Council

Date: February 17, 2026

**From: Chris Lamm, Director of Public Works – (650) 558-7230
Weizhi Cheng, Senior Civil Engineer – (650) 558-7230**

Subject: Adoption of a Resolution Awarding a \$239,700 Construction Contract to So Cal Pacific Construction Corp DBA National Coating and Lining for the Donnelly and Alcazar Tanks Rehabilitation, City Project No. 87120, and Authorizing the City Manager to Execute the Construction Contract

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution awarding a construction contract to So Cal Pacific Construction Corp DBA National Coating and Lining for the Donnelly and Alcazar Tanks Rehabilitation Project, in the amount of \$239,700, and authorizing the City Manager to execute the construction contract.

BACKGROUND

The Donnelly and Alcazar water storage tanks were identified for rehabilitation based on findings from the 2024 Department of Water Resources Sanitary Survey and a diver inspection report prepared by J.F. Brennan Company, Inc. The survey and inspection noted corrosion, rust, and coating deficiencies at both the Donnelly and Alcazar tanks.

The observed conditions pose potential risk to water quality, safety, and long-term serviceability of the tanks. Addressing these issues proactively is critical to maintain compliance with State water quality standards and to extend the useful life of the City's potable water storage infrastructure.

The City's Capital Improvement Program (CIP) prioritizes rehabilitation and maintenance of aging water infrastructure to ensure continued safe and reliable water service. This project supports that ongoing effort and aligns with recommendations from the State Division of Drinking Water to replace or rehabilitate system components approaching the end of their service life.

DISCUSSION

The project was advertised for bids on December 16, 2025, and sealed bids were opened on January 13, 2026. The City received five bids ranging from \$194,300 to \$500,352 for the base bid. The apparent lower bidder, Top Line Engineers, was deemed as non-responsive as the company did not meet the qualification requirements after review of their bid proposal. The next low bidder,

So Cal Pacific Construction Corp DBA National Coating and Lining, with a base bid of \$239,700, had a responsive and responsible bid package. Their bid is approximately 14% above the engineer's estimate of \$209,000. Staff reviewed the proposal and determined that the contractor met the project requirements and has successfully completed similar tank rehabilitation projects.

The project includes rehabilitation of four 50,000-gallon steel water storage tanks across the Donnelly and Alcazar sites. The base bid work includes:

- Removing and replacing interior roof-to-rafter joint sealant;
- Repairing interior and exterior coating deficiencies;
- Modifying and installing new overflow piping;
- Designing and installing a new fiberglass interior tank ladder with stainless steel safety post;
- Installing new welded steel D-ring fall protection anchor;
- Repairing and upgrading tank vent screens;
- Addressing localized corrosion on existing stainless-steel components; and
- Protecting all interior and exterior coatings throughout construction.

The project included a bid alternate to recondition the exterior tank coating, but the bid amount exceeded the available project funds and will be completed in a future project.

Staff recommends that the City Council award the base bid project to So Cal Pacific Construction Corp DBA National Coating and Lining and authorize the City Manager to execute the construction contract. Staff also recommends that the City Council authorize a 15% construction contingency budget to address unforeseen conditions.

The project is anticipated to start in May 2026 and be completed by September 2026.

FISCAL IMPACT

Estimated Construction Expenditures:

The following are the estimated project construction expenditures:

Construction	\$239,700
Construction Contingency (15%)	\$35,955
Engineering Services During Construction	\$20,700
Engineering Administration and Staff Time	\$18,645
Total	\$315,000

Funding Availability:

There are adequate funds available in the Water Enterprise Capital Improvement Program budget to complete the project. The project will be funded by two sources.

Alcazar and Donnelly Tank Rehabilitation - 87120	\$250,000
Mills Storage Tank Replacement – 86321	\$65,000
Total	\$315,000

Exhibits:

- Resolution
- Bid Summary
- Construction Contract
- Project Location Map