




Costa Mesa Sanitary District

...an Independent Special District

Memorandum

To: Board of Directors

Via: Scott Carroll, General Manager 

From: Rob Hamers, District Engineer

Date: May 28, 2015

Subject: **Project #194 Pump Station Coating and Manhole Rehabilitation – Bid Opening and Award of Contract**

Summary

The interior concrete surfaces of sewer manholes and pump station wet wells are subject to corrosion from the acidic environment formed when hydrogen sulfide (the rotten egg odor) combines with moist warm air to form sulfuric acid. The corrosion is severe and relentless and the District and other agencies prevent the corrosion by coating concrete surfaces with compounds that resist the corrosion.

This project will clean and coat the interior of 27 manholes and three pump station wet wells. This type of project is completed every 7-10 years as the need arises.

Staff Recommendation

That the Board of Directors approves awarding a contract to the lowest responsive bidder, Sancon Engineering, Inc. of Huntington Beach, California, in the amount of \$241,800 and authorizes the General Manager to establish a contingency budget in accordance with CMSD Operations Code Section 4.04.060(e).

Analysis

Bids were opened on April 20, 2015 and the results are as follows:

Engineer's Estimate	\$253,000
Sancon Engineering, Inc.	\$241,800



Protecting our community's health and the environment by providing solid waste and sewer collection services.

www.cmsdca.gov

Staff checked the licensing requirements and references for the low bidder, Sancon Engineering, Inc., and found everything in order, therefore, a recommendation to award the contract is being made.

Sancon Engineering is an industry leader in the production and application of preventative coatings and was the contractor for the prior District project of coating manhole interiors and pump station wet wells. Sancon has also successfully installed liners inside District sewer mains and the District has always found Sancon's workmanship to be outstanding.

Although there was only one bidder for the project, Sancon's bid is very close to the engineer's estimate. The District advertised the project in four trade journals as required under the Uniform Public Construction Cost Accounting Act (UPCCAA), which the District has adopted, along with sending the notice inviting bids to all the contractors on the District's pre-qualified contractors list.

One bidder was disqualified from bidding based on having a coating that did not meet the project specifications and the basis for rejection is attached hereto. Years ago the District studied coatings and the technologies for increasing thicknesses and corrosion resistance. The coating proposed by this potential bidder was a simple thin paint-like coating while the project specifications require the advanced eco system technology that produces a long lasting extra thick coating by injecting sand and aggregate into polyurethane to produce a polyurethane mortar. The thick polyurethane mortar is what provides the long lasting protection. The rejection of this bidder was discussed with the District's General Manager prior to the formal rejection.

Strategic Plan Element & Goal

This item complies with the objective and strategy of Strategic Plan Element 1.0, *Sewer Infrastructure*, which states as follows:

"Objective: Our objective is to collect and transport wastewater to meet the needs of existing and future customers.

Strategy: We will do this by the careful management of the collection infrastructure using prudent planning and maintenance, with financial strategies to maintain sufficient capacity and respond to changing regulatory demands."

Legal Review

District Counsel prepared and signed the construction contract being considered.

Environmental Review

The cleaning of concrete surfaces and the installation of a protective coating as shown on the plans for Project #194 is categorically exempt under the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et. seq.) under Section 15301 as a "Class 1" project as stated under **15301 Class 1 consists of the operation, repair,**

maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities ... 15301(b) "Existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage, or other public utility services".

Financial Review

The total budget for project #194 Pump Station Coating and Manhole Rehabilitation is \$300,000. Shown below is the estimated costs for rehabilitating the 27 manholes and 3 wet wells including design, contract administration, inspection and contingency which brings the total to \$285,230. There is sufficient money available in the FY 2014-15 Budget to complete this project.

Lowest Responsible Bidder	\$241,800
Design, Contract Admin, Inspection	\$19,250
Contingency	<u>\$24,180</u>
Total Project Cost	<u><u>\$285,230</u></u>

Public Notice Process

Copies of this report are on file and will be included with the entire agenda packet for the May 28, 2015 Board of Directors regular meeting at District headquarters and on District's website.

Alternative Actions

1. Do not award the contract to Sancon Engineering, Inc.
2. Direct staff to report back with more information

Attachments A: Contract between Sancon Engineering, Inc. and CMSD
B: Justification for Rejection of Bid

Reviewed by:



Wendy Hooper Davis
Finance Manager

Dear Contractor:

In entering into an agreement with the Costa Mesa Sanitary District, you must designate your form of business entity. There are three basic types of business entities. They are:

1. A Sole Proprietorship
(with or without a "dba")
2. A Partnership
3. A Corporation

In entering into contracts with the Costa Mesa Sanitary District, please indicate the complete name of your business in one of the following acceptable formats:

1. John Smith, Sole Proprietor;

or

John Smith, Sole Proprietor,
Doing business as "Acme Roofing"
2. Smith and Dokes, a California Partnership;
3. Smith Corporation, Inc.
A California Corporation

In signing the agreement with the Costa Mesa Sanitary District, you or your agent must sign in one of the following manners so the capacity in which you or your agent is signing is clear:

1. _____
John Smith, Sole Proprietor
2. Smith and Dokes
By: _____
John Smith, Partner
3. Smith Corporation, Inc.
By: _____
Vice President

Your Public Notary must indicate your capacity when acknowledging your signature.

CONTRACT

THIS AGREEMENT is made and entered into this ____ day of May ____, 2015 by and between the **COSTA MESA SANITARY DISTRICT**, hereinafter referred to as "DISTRICT" and SANCON ENGINEERING, INC., a California corporation, hereinafter referred to as "CONTRACTOR."

WITNESSETH

That for and in consideration of the promises and agreements hereinafter made and exchanged, DISTRICT and CONTRACTOR mutually agree as follows:

1. Scope of the Work. That CONTRACTOR shall perform all the work and shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services required to construct:

2. Labor and Materials. All of said work to be performed and materials to be furnished shall be in strict accordance with the plans and specifications entitled CMSD Project #194 Pump Station Coating and Manhole Rehabilitation and CONTRACTOR agrees to do everything required by this Contract and the Contract Documents including the plans and specifications and any general conditions.

All labor, materials, tools, equipment and services shall be furnished on work performed, and under the direction, administration and subject to the approval of DISTRICT or its authorized representatives.

CONTRACTOR warrants that it will not purchase mined construction material for this PROJECT except from a mining operation that is currently identified in the list published pursuant to subdivision (b) of Section 2717 of the Public Resources Code. Refer to the current 3098 list for qualified mining operations at www.consrv.ca.gov/OMR/ab_3098_list/current_list.

3. Time of Completion. CONTRACTOR agrees to commence the work to be performed under this Contract within five (5) days of receipt of the "Notice to Proceed" and to diligently prosecute the work to completion before the expiration of **60 working days** from the date of commencement. "Working days" means all calendar days except Saturdays, Sundays, and legal holidays.

4. Time of the Essence. Time is of the essence of this Contract.

5. Liquidated Damages/Delay Damages. It is agreed by the parties hereto that in case the total work called for hereunder in all parts and requirements is not finished or completed within the number of working days as set forth herein, damage will be sustained by the DISTRICT, and that it is and will be impractical and extremely difficult to ascertain and determine the actual damage which the DISTRICT will sustain in the event of and by reason of such delay; and it is therefore agreed the CONTRACTOR will pay to the DISTRICT the sum of **TWO HUNDRED FIFTY and 00/100 Dollars (\$250.00)** per calendar day for each and every day of delay in finishing the work in excess of the number of days prescribed in paragraph 3 and the CONTRACTOR agrees to pay said liquidated damages herein provided for, and further agrees that the DISTRICT may deduct the amount thereof from any monies due or that may become due the CONTRACTOR hereunder.

The CONTRACTOR will be granted an extension of time and will not be assessed with liquidated damages for any portion of the delay in completion of the work beyond the time named herein for the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR, including but not restricted to acts of God or of the public enemy, fire, floods, epidemics, quarantine restrictions, strike, and unsuitable weather, or delays of subcontractors due to such causes, provided CONTRACTOR submits timely notification and a written Request for Change Order as required herein.

The CONTRACTOR shall within ten (10) days from the beginning of any such delay (unless the DISTRICT shall grant a further period of time prior to the date of final settlement of the Contract) notify the District Engineer in writing of the cause of the delay, and the District Engineer shall extend the time for completing the work if in the District Engineer's judgment the cause so merits. The District Engineer's determination on this matter shall be final and conclusive on the parties hereto. CONTRACTOR shall also be required to submit a written Request for Change Order to District Engineer within fifteen (15) days of the date of such delay. No adjustment shall be allowed for such delay unless strict compliance with this contractual provision is effected. CONTRACTOR's remedy shall be limited to the extra days granted and to any damages that he may be entitled to using the formula agreed to by the parties for all damages as provided in Paragraph 28.

6. The Contract Sum. DISTRICT agrees to pay and CONTRACTOR agrees to accept in full payment for the work above agreed to be done the sum of: Two Hundred Forty-One Thousand Eight Hundred Dollars and 00/100 (**\$241,800.00**).

7. Progress Payments. Prior to the fifteenth day of the month next following the commencement of the work, there shall be paid to CONTRACTOR a sum equal to 90 percent of the value of the work completed since the commencement of the work as determined by the District Engineer and thereafter prior to the fifteenth day of each successive month as the work progresses. CONTRACTOR shall be paid such sum as will bring the payments up each month to 90 percent of the value of the work completed since the commencement of the work as determined by the District Engineer, less all previous payments, provided that CONTRACTOR submits his request for payment prior to the last Wednesday of each preceding month. DISTRICT shall make the final payment, if unencumbered, or any part thereof unencumbered, 35 days after the acceptance of the work and the filing of a Notice of Completion. Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the District Engineer, stating that the work for which payment is demanded has been performed in accordance with the terms of the Contract, and that the amount stated in the certificate is due under the terms of the Contract. Partial payments on the Contract price shall not be considered as an acceptance of any part of the work.

8. Prompt Payments. DISTRICT agrees to promptly make progress payments on undisputed and properly submitted payment requests within thirty (30) days and to comply with the provisions of Public Contract Code Section 20104.50.

9. Retention Securities. Pursuant to California Contract Code Section 22300, CONTRACTOR will be entitled to post approved securities with the DISTRICT or an approved financial institution in order to have the DISTRICT release funds retained by the DISTRICT to insure performance of the Contract.

10. Specifications. The Standard Specifications for Public Works Construction, also known

as the Greenbook, latest edition, shall be controlling unless a different specification is called out. The contractor shall also abide by the Costa Mesa Sanitary District's Standard Plans and Specifications for the Construction of Sanitary Sewers and the Work Area Traffic Control Handbook (WATCH) latest edition.

11. Change Orders. Change order requests shall be submitted to the District Engineer in writing who shall have discretion to determine the merit of the change order request. The District Engineer may approve or disapprove change orders in his discretion except that any change order resulting in an increase of the Contract price shall be co-signed by the District Manager and/or approved by the Board of Directors. No amendments, modifications, or waivers of Contract terms or the Contract Documents, including additional compensation for extra work, will be allowed absent a written Change Order signed by both parties.

12. Prevailing Wage Rates. DISTRICT has ascertained the general prevailing rate of per diem wages and the general prevailing rate for legal holidays and overtime work in the locality in which the work is to be performed for each craft or type of work needed to execute this Contract, and the same has been placed on file with the District Clerk at the District's principal office. Said per diem wages can be obtained on the Internet at <http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>. Said per diem wages are deemed to include employer payments for health and welfare, pension, vacation, and travel time and subsistence pay, all in accordance with sections 1773.1 and 1773.8 of the Labor Code of the State of California. No contractor or subcontractor shall be awarded a contract for a public work unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Contractor agrees to comply with this requirement and to file his payroll records electronically.

13. Discrimination, Minorities, Aliens. The CONTRACTOR shall not unlawfully discriminate nor allow its employees, agents, principals, or subcontractors to unlawfully discriminate against any employee or applicant for employment on the basis of race, religious creed, national origin or sex.

14. Compliance with Davis-Bacon Act. This provision does not apply to this Contract.

15. Payroll Records. The provisions of section 1776 of the Labor Code of the State of California regarding the preparation, maintenance and filing of payroll records are applicable to this Contract. Specifically, each CONTRACTOR and subcontractor shall keep an accurate electronic payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice or worker employed by him in connection with the public work. THE CONTRACTOR'S AND SUBCONTRACTOR'S PAYROLL RECORDS SHALL BE SUBMITTED TO THE DISTRICT ENGINEER FOR REVIEW ON A WEEKLY BASIS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR SUBMITTAL OF SUB-CONTRACTOR'S PAYROLL RECORDS.

16. Penalty. CONTRACTOR shall, as a penalty to the DISTRICT, forfeit up to \$50.00 for each calendar day or portion thereof for each workman paid (either by him or any subcontractor under him) less than the prevailing rate set forth herein on the work provided for in this Contract, all in accordance with section 1775 of the Labor Code of the State of California.

17. Apprentices. If applicable, the provisions of Labor Code Section 1777.5 requiring the use of apprentices in certain ratios to journeymen are hereby imposed upon CONTRACTOR.

18. Legal Day's Work. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person unless the CONTRACTOR complies with all applicable Labor laws. CONTRACTOR shall conform to Article 3, Chapter 1, Part 7 (section 1810, et seq.) of the Labor Code of the State of California, and it is agreed that the CONTRACTOR shall forfeit to the DISTRICT as a penalty the sum of \$25.00 for each workman employed in the execution of this Contract by the CONTRACTOR or any subcontractor for each calendar day during which any workman is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of said article.

19. Subcontracting. CONTRACTOR acknowledges that he is aware of the provisions of the "Subletting and Subcontracting Fair Practices Act" (Public Contract Code Section 4100 et seq.) and that he agrees to comply with all applicable provisions thereof. If any part of the work to be done under this Contract is subcontracted, the subcontract shall be in writing and shall provide that all work to be performed thereunder shall be performed in accordance with this Contract. Upon request, certified copies of any or all subcontracts shall be furnished to the District Engineer or DISTRICT. The subcontracting of any or all of the work to be done will in no way relieve the CONTRACTOR of any part of his responsibility under the Contract. Breach of any of the above provisions will be considered a violation of the Contract, and the DISTRICT may: cancel the Contract, assess the CONTRACTOR a penalty of not more than 10 percent of the subcontract involved, or cancel the Contract and assess the penalty.

All persons engaged in the work, including subcontractors, will be considered employees of the CONTRACTOR. He will be held responsible for their work. The DISTRICT will deal directly with and make all payments to the CONTRACTOR.

20. Workers' Compensation. CONTRACTOR shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the Labor Code of the State of California. CONTRACTOR, by executing this Contract, hereby certifies:

"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."

21. Drug-Free Work. CONTRACTOR agrees to provide a drug-free workplace in accordance with 24 CFR part 24, sub-part F. Under 24 CFR part 24 sub-part F., the CONTRACTOR will provide certification in writing that it will provide a drug-free workplace by:

- (a). Publicizing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace and specifying the action it will take against employees for violation of such prohibition;
- (b). Establish an ongoing drug-free awareness program to inform employees about-
 1. Degrees of drug abuse in the workplace;
 2. The policy of maintaining a drug-free workplace;
 3. Any available drug counseling, rehabilitation and employee assistance programs;
 4. The penalties which may be imposed on employees for drug abuse violations occurring in the workplace.

- (c). Making it a requirement that every employee to be engaged in the performance of the Contract be given a copy of the statement required by paragraph (a);
- (d). Notifying employees in the statement required by paragraph (a) that as a condition of employment under the Contract the employee will -
 - 1. Abide by the term of the statement; and
 - 2. Notify the employer in writing of any conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction.
- (e). Notify the DISTRICT in writing, within ten (10) calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employer of said convicted employee must provide notice, including conviction title, to the DISTRICT;
- (f). Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted -
 - 1. Taking appropriate action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- (g). Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

22. Bonds. CONTRACTOR shall, prior to the execution of the Contract, furnish bonds approved by DISTRICT, one in the amount of one hundred percent (100%) of the Contract price, to guarantee the faithful performance of the work, and the other in the amount of one hundred percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by DISTRICT. All bonds shall be issued by an admitted surety insurer and the DISTRICT reserves the right to object to any such surety, in accordance with Code of Civil Procedure Section 995.660.

23. CONTRACTOR'S Affidavit. After the completion of the work contemplated by this Contract, CONTRACTOR shall file with the District Engineer his affidavit stating that all workmen and persons employed, all firms supplying materials, and all subcontractors upon the project have been paid in full, and that there are no claims outstanding against the project for either labor or material, except certain items, if any, to be set forth in an affidavit covering disputed claims, or items in connection with a Notice to Withhold, which have been filed under the provisions of the statutes of the State of California.

24. CONTRACTOR'S Waiver. CONTRACTOR agrees to execute a Final Close Out Agreement and Release of All Claims. The execution by CONTRACTOR of the Final Close Out Agreement and Release of All Claims shall constitute a waiver of all claims against DISTRICT under or arising out of this Contract unless otherwise stated in said document.

25. Notice to Proceed. No work, services, material or equipment shall be performed or furnished under this Contract unless and until a "Notice to Proceed" has been given to the CONTRACTOR by the District Engineer and all bonds and certificates of insurance required pursuant hereto have been furnished to and approved by DISTRICT.

26. Termination.

A. If CONTRACTOR should fail to comply with any of the provisions hereof, or in the event CONTRACTOR should become the subject of a proceeding under state or federal law for relief of debtors, or if CONTRACTOR makes an assignment for the benefit of creditors, DISTRICT shall have the right to hold CONTRACTOR in default and cancel this Contract in whole or in part.

B. Should CONTRACTOR, at any time during the progress of the work, refuse or neglect to supply sufficient material or labor, or fail to comply with any provision of this Contract, DISTRICT shall have the right, without prejudice to any other right or remedy it may have, to provide such materials and labor, or make good such deficiencies as DISTRICT may deem expedient after three (3) days notice in writing, delivered or mailed to CONTRACTOR at his last address on file with DISTRICT, and CONTRACTOR shall be liable for the cost and expense thereof which may be deducted by DISTRICT from any money that may be due CONTRACTOR.

C. Without limiting any rights which DISTRICT may have by reason of any default by CONTRACTOR hereunder, DISTRICT reserves the right to terminate this Contract in whole or in part at its convenience. In such event DISTRICT shall compensate CONTRACTOR, subject to deduction for previous payments (i) by reimbursing CONTRACTOR for all actual expenditures and costs incurred in performing under this Contract (ii) by reimbursing CONTRACTOR for all expenditures made and costs incurred with DISTRICT'S prior written approval in settling or discharging outstanding commitments entered into by CONTRACTOR in performing under this Contract and (iii) by paying CONTRACTOR as a profit, insofar as a profit is realized hereunder, an amount equal to the profit on the entire Contract estimated at the time of termination, multiplied by the percentage of completion of the work. In no event, however, will the compensation to CONTRACTOR exceed the total Contract price less payments previously made and less the Contract price of work not terminated. Upon receipt of any notice of termination, CONTRACTOR shall, unless the notice otherwise directs, (i) immediately discontinue the work and the placing of all orders and subcontracts in connection with this Contract, (ii) immediately cancel all existing orders and subcontracts made hereunder and (iii) immediately transfer to DISTRICT all materials, supplies, work-in-process, appliances, facilities, equipment, machinery and tools acquired by CONTRACTOR in connection with the performance of this Contract.

27. CONTRACTOR'S Independent Investigation. No plea of ignorance of conditions that exist or that may hereafter exist, or of conditions or difficulties that may be encountered in the execution of the work under this Contract, as a result of failure to make the necessary independent examinations and investigations, and no plea of reliance on initial investigations or reports prepared by District Engineer and/or DISTRICT for purposes of letting this Contract out to bid, will be accepted as an excuse for any failure or omission on the part of the CONTRACTOR to fulfill in every detail all requirements of the Contract Documents. Nor will such reasons be accepted as a basis for any claims whatsoever for extra compensation or for an extension of time.

28. Damages/Extra Work Compensation. The parties have agreed to modify the formula for damages set forth in the Standard Specifications for Public Works Construction. The parties agree that the damage formula shall be used to measure all of CONTRACTOR's damages or extra work required by this job. CONTRACTOR shall be limited to the following:

<u>Direct costs</u>	<u>Mark-up</u>
Labor	20%
Materials	15%
Equipment Rental	15%
Other Items	15%
Subcontracted work	10% (first \$5000)
Subcontracted work	5% (work in excess of first \$5000)
Specialty Subcontracting (required by extra work)	5% (Provided at least three competitive bids are obtained and contractor selected the lowest bidder)

Excluded from recovery shall be so-called "Eichleay damages" including, but not limited to, home office overhead, insurance and bonding costs, lost bonding capacity, lost profits, and lost interest.

CONTRACTOR acknowledges that his recovery for damages or extra work is limited as provided in this paragraph.

CONTRACTOR's
Initials_____

29. Other Documents Included. It is further agreed by the parties hereto that the following documents are incorporated into this Contract by reference and are to be read and construed together as the full, complete and integrated terms of this Contract:

- A. Notice Inviting Bids
- B. Supplementary Bid Addenda or Bulletins, if applicable
- C. Proposal Packet
- D. Standard Specifications for Public Works Construction "Greenbook," latest edition
- E. Costa Mesa Sanitary District Standard Plans and Specifications for the Construction of Sanitary Sewers
- F. Construction Plans and Specifications for CMSD Project #194
- G. Standard Drawings (Costa Mesa Sanitary District Drawings and City of Costa Mesa Drawings)
- H. Soils Report (omitted)
- I. City of Costa Mesa Encroachment Permit
- J. Faithful Performance Bond
- K. Payment Bond
- L. Approved Change Orders, if applicable
- M. Contractor's Affidavit
- N. Final Closeout Agreement and Release of All Claims

The documents listed in this Paragraph, including this Contract, shall be known and referred to collectively as the "Contract Documents."

30. Interpretation. In the event of any conflict, inconsistency or incongruity between the provisions of this Contract and the provisions of any of the Contract Document(s) referenced in Paragraph 29 hereof, or amendments thereto, the provisions of this Contract shall control in all respects.

31. Attorney's Fees. In any action or proceeding brought by either party against the other party arising out of or in any way connected to this Contract, or where any provision hereof is validly asserted as a defense, the parties shall bear their own attorney's fees, costs, and expenses. Nothing in this provision shall excuse CONTRACTOR's duty to provide DISTRICT with a defense at CONTRACTOR's cost when DISTRICT receives a complaint, petition, or other pleading from the third party requiring DISTRICT to defend itself. Notwithstanding the foregoing, costs and attorneys fees shall be available pursuant to Code of Civil Procedure Section 386.6 in connection with an interpleader.

32. Additional Costs. CONTRACTOR shall be responsible to reimburse DISTRICT a sum equal to the expenses of administration and legal services required to be expended by DISTRICT in processing Notices to Withhold, Stop Notices, or similar legal documents arising out of a failure of the CONTRACTOR to pay for labor or materials. Said obligation shall be provided for in the payment bond required by the CONTRACTOR. The DISTRICT shall further have the right to offset any such costs and expenses incurred by DISTRICT against any sums owing to CONTRACTOR.

33. Insurance. CONTRACTOR agrees to provide insurance in accordance with the requirements set forth herein. If CONTRACTOR uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. The following coverages will be provided by CONTRACTOR and maintained on behalf of the DISTRICT and in accordance with the requirements set forth herein.

Commercial General Liability/Umbrella Insurance. Primary insurance shall be provided on ISO-CGL form No. CG 00 01 11 85 or 88 or equivalent, as determined by District Counsel. Total limits shall be no less than one (1) million dollars per occurrence for all coverages and three (3) million dollars general aggregate. DISTRICT and its employees and agents shall be added as additional insured using ISO additional insured endorsement form CG 20 10 with an edition date prior to 1992 or equivalent, as determined by District Counsel. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to DISTRICT or any employee or agent of DISTRICT. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Umbrella Liability Insurance (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum \$25,000.00 self-insured retention for liability not covered by primary policies but covered by the umbrella policy.

Coverage shall be on the following form to any underlying coverage. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion. Policies shall have concurrent starting and ending dates. District Counsel shall have the authority to make determinations on the acceptability of forms of insurance coverage. A determination that the form of coverage is not acceptable shall cause the award to go to the next lowest responsible bidder.

Business Auto/Umbrella Liability Insurance. Primary coverage shall be written on ISO Business Auto Coverage form CA 00 01 06 92 including symbol 1 (Any Auto) or equivalent, as determined by District Counsel. Limits shall be no less than one (1) million dollars per accident. Starting and ending dates shall be concurrent. If CONTRACTOR owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

Workers' Compensation/Employers' Liability shall be written on a policy form providing workers' compensation statutory benefits as required by law. Employers' liability limits shall be no less than one (1) million dollars per accident or disease. Employers' liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects the DISTRICT, its employees or agents.

CONTRACTOR and DISTRICT further agree as follows:

1. This Section supersedes all other sections and provisions of this Contract to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
2. Nothing contained in this Section is to be construed as affecting or altering the legal status of the parties to this Contract. The insurance requirements set forth in this Section are intended to be separate and distinct from any other provision in this Contract and shall be interpreted as such.
3. All insurance coverage and limits provided pursuant to this Contract shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Contract or any other agreement relating to the DISTRICT or its operations limits the application of such insurance coverage.
4. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.
5. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards, performance of this Contract.
6. All general or auto liability insurance coverage provided pursuant to this Contract, or any other agreements pertaining to the performance of this Contract, shall not prohibit CONTRACTOR, and CONTRACTOR'S employees, or agents, from waiving the right of subrogation prior to a loss. CONTRACTOR hereby waives all rights of subrogation against DISTRICT.
7. Unless otherwise approved by DISTRICT, CONTRACTOR'S insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of "A:VII". Self-insurance will not be considered to comply with these insurance specifications.
8. In the event any policy of insurance required under this Contract does not comply with these requirements or is canceled and not replaced, DISTRICT has the right but not the duty to

obtain the insurance it deems necessary and CONTRACTOR will promptly reimburse any premium paid by DISTRICT.

9. CONTRACTOR agrees to provide notarized evidence of the insurance required herein, satisfactory to DISTRICT, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to CONTRACTOR'S general liability and umbrella liability policies (if any) using ISO form CG 20 10 with an edition prior to 1992 or equivalent, as determined by the District Counsel. Certificate(s) are to reflect that the insurer will provide 30 days notice of any cancellation of coverage. CONTRACTOR agrees to require its insurer to modify such certificates of any cancellation of coverage. CONTRACTOR agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. CONTRACTOR agrees to provide complete copies of policies to DISTRICT upon request.
10. CONTRACTOR shall provide proof that policies of insurance required herein expiring during the term of this Contract have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished within 72 hours of the expiration of the coverages.
11. Any actual or alleged failure on the part of DISTRICT or any other additional insured under these requirements to obtain proof of insurance required under this Contract in no way waives any right or remedy of DISTRICT or any additional insured, in this or any other regard.
12. CONTRACTOR agrees to require all subcontractors or other parties hired for this project to provide general liability insurance naming as additional insured all parties to this Contract. CONTRACTOR agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here. CONTRACTOR agrees to require that no contract used by any subcontractor, or contracts CONTRACTOR enters into on behalf of DISTRICT, will reserve the right to charge back to DISTRICT the cost of insurance required by this Contract. CONTRACTOR agrees that upon request, all agreements with subcontractors or others with whom CONTRACTOR contracts with on behalf of DISTRICT, will be submitted to DISTRICT for review. Failure of DISTRICT to request copies of such agreement will not impose any liability on DISTRICT, or its employees.
13. If CONTRACTOR is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its managers, affiliates, employees, agents, and other persons necessary or incidental to its operation are insured.
14. CONTRACTOR agrees to provide immediate notice to DISTRICT of any claim or loss against CONTRACTOR that includes DISTRICT as a defendant. DISTRICT assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve DISTRICT.

34. Indemnification. CONTRACTOR and DISTRICT agree that DISTRICT should, to the fullest extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys fees, litigation costs, defense costs, court costs or any other cost arising

out of or in any way related to the performance of this Contract. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to the DISTRICT, except for liability attributable to the DISTRICT'S active negligence. CONTRACTOR acknowledges that DISTRICT would not enter into this Contract in the absence of this commitment from CONTRACTOR to indemnify and protect DISTRICT as set forth here.

To the fullest extent permitted by law and excepting only the active negligence of DISTRICT, established by a court of competent jurisdiction or written agreement between the parties, CONTRACTOR shall defend, indemnify and hold harmless DISTRICT, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney fees incurred by DISTRICT, court costs, interest, defense costs including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Contract. All obligations under this provision are to be paid by CONTRACTOR as incurred by DISTRICT.

Without affecting the rights of DISTRICT under any provision of this Contract or this Section, CONTRACTOR shall not be required to indemnify and hold harmless DISTRICT as set forth above for liability attributable to the active negligence of DISTRICT, provided such active negligence is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where the DISTRICT is shown to have been actively negligent and not in instances where CONTRACTOR is solely or partially at fault or in instances where DISTRICT'S active negligence accounts for only a percentage of the liability involved. In those instances, the obligation of CONTRACTOR will be for that portion or percentage of liability not attributable to the active negligence of DISTRICT as determined by written agreement between the parties or the findings of a court of competent jurisdiction.

The obligations of CONTRACTOR under this or any other provision of this Contract will not be limited by the provisions of any workers' compensation act or similar act. CONTRACTOR expressly waives its statutory immunity under such statutes or laws as to DISTRICT, its employees and officials.

CONTRACTOR agrees to obtain executed indemnity agreements with provisions identical to those set forth in this section from each and every subcontractor, sub-tier contractor or any other person or entity involved by, for, with, or on behalf of CONTRACTOR in the performance of the subject matter of this Contract. In the event CONTRACTOR fails to obtain such indemnity obligations from others as required here, CONTRACTOR agrees to be fully responsible according to the terms of this section.

Failure of DISTRICT to monitor compliance with these requirements imposes no additional obligations on DISTRICT and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend DISTRICT as set forth herein is binding on the successors, assigns, or heirs of CONTRACTOR and shall survive the termination of this Contract or this section.

35. Permits. The CONTRACTOR shall obtain from DISTRICT, City, County, State, Federal or other responsible public agencies all licenses and permits, and pay all fees related thereto, necessary to complete the job.

36. Assignment. No assignment by the CONTRACTOR of this Contract or any part

hereof, or of funds to be received hereunder, will be recognized by the DISTRICT unless such assignment has had prior written approval and consent of the DISTRICT and the Surety.

37. Safety and Site Condition. CONTRACTOR shall perform all operations with due regard for safety and in strict compliance with all applicable laws relating thereto. It shall be CONTRACTOR'S responsibility to keep the site in a clean, neat and orderly condition. It shall also be CONTRACTOR'S duty to dust-palliate all working areas and access routes, if applicable. All operations shall be conducted by CONTRACTOR so that no fire hazards are created.

38. Utility Location. DISTRICT acknowledges its responsibilities with respect to locating facilities pursuant to California Government Code Section 4215.

39. Trenching. If this Contract involves digging trenches or other excavations that extend deeper than four feet below the surface, CONTRACTOR shall promptly, and before the following conditions are disturbed, notify the District Engineer in writing, of any:

- (a) Material that the CONTRACTOR believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
- (b) Subsurface or latent physical conditions at the site differing from those indicated.
- (c) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.
- (d) The District Engineer shall promptly investigate the conditions, and if he finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the CONTRACTOR'S cost of, or the time required for, performance of any part of the work, shall issue a change order in accordance with the procedures described in this Contract.
- (e) In the event that a dispute arises between District Engineer and the CONTRACTOR whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the CONTRACTOR's cost of, or time required for, performance of any part of the work, the CONTRACTOR shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all work to be performed under the Contract. The CONTRACTOR shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

40. Notices. The parties hereto agree that all formal notices required by this Contract may be provided to the following persons at the following addresses by sending the same by certified or registered mail as follows:

DISTRICT: General Manager
Costa Mesa Sanitary District
628 W. 19th Street
Costa Mesa, California 92627-2716

CONTRACTOR: Sancon Engineering, Inc.

5841 Engineer Drive
Huntington Beach, CA 92649

41. Effect of Invalidity. The invalidity in whole or in part of any provisions hereof shall not affect the validity of any other provision.

42. Gratuities. CONTRACTOR warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to DISTRICT'S employees, agents or representatives with a view toward securing this Contract or securing favorable treatment with respect thereto.

43. Conflict of Interest. CONTRACTOR warrants that he has no blood or marriage relationship, and that he is not in any way associated with any architect, engineer or other preparer of the plans and specifications for this project.

44. Copeland "Anti-Kickback" Act. If applicable to this Contract, CONTRACTOR and its subcontractors shall comply with the provisions of the Copeland "Anti-Kickback" Act (18 USC Section 874), as supplemented in Department of Labor regulations, which Act provides that each Contractor shall be prohibited from requiring, by any means, any person employed in the construction, completion or repair of any public work, to give up any part of the compensation to which he is otherwise entitled.

45. Final Closeout Agreement and Release of All Claims. Prior to filing the Notice of Completion the CONTRACTOR and DISTRICT shall execute and record a Final Closeout Agreement and Release of All Claims, should the District make this request of CONTRACTOR.

46. Guarantees. CONTRACTOR shall and hereby does guarantee all work for a period of one (1) year after the date of filing of the Notice of Completion and shall repair and replace any and all such work, together with any other work which may be displaced in so doing that may prove defective in workmanship and/or materials within the one (1) year period from date of the filing of the Notice of Completion, without expense whatsoever to the DISTRICT, ordinary wear and tear and usual abuse or neglect excepted. In the event of failure to comply with the aforementioned conditions within five (5) days after being notified in writing, the DISTRICT is hereby authorized to proceed to have the defects repaired and made good at the expense of the CONTRACTOR, who shall pay the cost and charges therefor immediately on demand.

47. Job Progress. CONTRACTOR agrees to maintain a critical path analysis throughout the project. CONTRACTOR agrees to meet with the District Engineer on a weekly or other periodic basis, or as requested by the District Engineer to review job progress. CONTRACTOR agrees to provide District Engineer with critical path analysis documentation whenever job progress is impacted so that the completion date may be affected or whenever delays or other impacts may give rise to CONTRACTOR'S claim for additional days or additional damages. Delay and other claims of damages based on CONTRACTOR'S planned early completion are prohibited.

48. Resolution of Claims. For all claims that are less than Three Hundred and Seventy Five Thousand Dollars (\$375,000.00), the provisions of Public Contracts Code Section 20104 et seq. (Article 1.5 – Resolution of Construction Claims) shall be followed.

49. Notice to Contractor of Claims. DISTRICT shall provide notice to CONTRACTOR upon receipt of any third-party claim related to the Contract.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement the date and year first above written.

ATTEST:

COSTA MESA SANITARY DISTRICT

Clerk of the District

President of the Board of Directors

APPROVED AS TO FORM:

CONTRACTOR



Colin R. Burns
Associate District Counsel

Name: Sancon Engineering, Inc.

Address: 5841 Engineer Drive
Huntington Beach, CA 92649

APPROVED AS TO CONTENT:

By: _____

Robin B. Hamers
District Engineer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA) ss. (INDIVIDUAL)/(CORPORATION)

COUNTY OF _____)

On _____, 2015, before me, the undersigned, a Notary Public in and for said state, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Public)

PAYMENT BOND

PAGE 1

Bond No. _____

**COSTA MESA SANITARY DISTRICT
PAYMENT BOND
(LABOR AND MATERIAL BOND)**

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the COSTA MESA SANITARY DISTRICT, a municipal corporation and sanitary district, by minute order of the Board of Directors, adopted on May 28, 2015, has awarded to Sancon Engineering, Inc., hereinafter designated as the "Principal", Contract No. **CMSD PROJECT NO. 194** for the work described as follows: Pump Station Coating and Manhole Rehabilitation. Said Contract and all of its obligations, covenants, terms and conditions are fully incorporated herein by reference.

WHEREAS, said Principal is required by the provisions of said Contract and of the Civil Code to furnish a bond in connection with said Contract, as hereinafter set forth.

NOW, THEREFORE, WE, the undersigned CONTRACTOR, as Principal and

(Name and Address of Surety)

Duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the Costa Mesa Sanitary District, in the penal sum of: Two Hundred Forty-One Thousand, Eight Hundred Dollars **(\$241,800.00)**, said sum being not less than one hundred (100%) percent of the estimated amount payable under the terms of the Contract for which payment well and truly be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that, if said Principal or his subcontractors, or the heirs, executors, administrators, successors or assigns thereof, shall fail to pay any of the persons named in Section 3181 of the Civil Code of the State of California for any materials, provisions, provender or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor performed by any such claimant or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the CONTRACTOR and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor, then said Surety will pay for the same, in an amount not exceeding the sum set forth hereinabove, and in addition, in case suit is brought upon the bond, will pay a reasonable attorney's fee to be fixed by the court. This bond shall inure to the benefit of any and all persons named in the aforesaid Civil Code Section 3181 so as to give a right of action to them or their assigns in any suit brought upon the bond.

PAYMENT BOND

PAGE 2

Bond No. _____

Further, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligation on this bond; and it hereby waives notice of any and all such changes, extensions of time, and alterations or modifications of the Contract Documents and/or of the work to be performed thereunder.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 2015.

Sancon Engineering, Inc.
5841 Engineer Drive
Huntington Beach, CA 92649

PRINCIPAL

By: _____
Company Representative

In accordance with the Contract for CMSD PROJECT #194 bonds shall be issued by an admitted surety insurer and the DISTRICT reserves the right to object to any such surety, in accordance with Code of Civil Procedure Section 995.660.

By signing below, Surety certifies that the bonds are issued by an admitted surety.

Name

Street Address

City, State, Zip Code

SURETY

By: _____
Company Representative

APPROVED AS TO FORM:

Colin R. Burns, Associate District Counsel
Costa Mesa Sanitary District

By /s/  _____

FAITHFUL PERFORMANCE BOND

PAGE 1

Bond No. _____

**COSTA MESA SANITARY DISTRICT
FAITHFUL PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the COSTA MESA SANITARY DISTRICT, a municipal corporation and sanitary district, by minute order of the Board of Directors, adopted on May 28, 2015, has awarded to Sancon Engineering, Inc., hereinafter designated as the "Principal" Contract No. **CMSD PROJECT NO. 194** for the work described as follows: Pump Station Coating and Manhole Rehabilitation said Contract and all of its obligations, covenants, terms and conditions are fully incorporated herein by reference.

WHEREAS, the said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract, including a one year guarantee of the work performed.

NOW, THEREFORE, WE, the undersigned CONTRACTOR, as Principal and

(NAME AND ADDRESS OF SURETY)

Duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the Costa Mesa Sanitary District, in the penal sum of: Two Hundred Forty-One Thousand, Eight Hundred Dollars **(\$241,800)**, said sum being not less than one hundred (100%) percent of the Contract price for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that, if the above burdened Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said Contract and any alteration thereof made as therein provided, on his or their part, to be kept and performed, at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the Costa Mesa Sanitary District, its offices and agents, as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue. This obligation covers a one year guarantee on work performed after said work has been completed. The one year period shall commence on the date the Notice of Completion has been recorded.

In case suit is brought upon this bond, Surety further agrees to pay all court costs and reasonable attorneys' fees as fixed by the court.

FAITHFUL PERFORMANCE BOND

PAGE 2

Bond No. _____

And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the work to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the work.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 2015.

Sancon Engineering, Inc.
5841 Engineer Drive
Huntington Beach, A 92649

PRINCIPAL

By: _____
Company Representative

In accordance with the Contract for CMSD Project #194 all bonds shall be issued by an admitted surety insurer and the District reserves the right to object to any such surety, in accordance with Code of Civil Procedure Section 995.660.

By signing below, Surety certifies that the bonds are issued by an admitted surety.

Name

Street Address

City, State, Zip Code

SURETY

By: _____
Company Representative

APPROVED AS TO FORM:

Colin R. Burns, Associate District Counsel
Costa Mesa Sanitary District

By /s/  _____

**REQUEST FOR CHANGE ORDER
(Payment or Time)**

RCO No. _____

NOTICE: Conditions arising that would support a request for payment for additional work or time extension must be brought to the District's attention within ten (10) days, and a Request for Change Order for additional work/time extensions must be filed within fifteen (15) days. **THIS FORM MUST BE USED.** (See Contract Section 5.)

Circumstances supporting payment for additional work/time:

1. Describe why payment should be granted. Attach any more detailed discussion, with backup documents as an exhibit. (Remember: damages have been contractually limited on this job. See Section 28 of the Contract.)

2. Describe the delay and why a time extension is appropriate. Provide any backup documents as may be necessary to support the request. You must demonstrate how the critical path was impacted.

Submitted by

Construction Manager's Approval:

Engineer's Approval:

By:

By:

NOTE: Approval of this request for change order is only effective upon District approval of the change order.

Change Order approved/denied by: _____



Costa Mesa Sanitary District

...an Independent Special District

Date: April 14, 2015

Project: #194 Manhole Rehabilitation and Pump Station Coating

Subject: Justification for Rejection of Pre-Approval of LifeLast DuraShield 310 submitted by National Coating & Lining Co.

District Specifications

The Costa Mesa Sanitary District (District) has specified the coating for the manholes and pump station walls to be 3/8" (375 mils) thick, single application, polyurethane mortar. The District's goal is to utilize the eco system technology (or equivalent) for injection of sand and aggregate into polyurethane coating to provide a high build, strong, long lasting, corrosion resistant polyurethane mortar coating. The District's experience indicates a thick polyurethane mortar compound provides the greatest life expectancy for a coating applied to existing concrete manholes and existing concrete pump station walls that are subject to a wastewater environment. This type of high buildup coating has worked well in District manholes and pump stations. Research and experience indicates approximately a half dozen contractors provide this type of coating technology.

National Coating & Lining Co has submitted the LifeLast DuraShield 310 coating for consideration as an equal to the coating specifications.

LifeLast DuraShield 310

National Coating & Lining Company states in its correspondence:

1. "Since LifeLast DuraShield 310 is not a mortar system, and thereby does not contain a heavy loading of inert sand or rock. . ."
2. ". . .typical thicknesses range from 100 to 250 mils"

Further, the LifeLast DuraShield 310 submittals indicate

3. No project references were supplied where LifeLast DuraShield 310 was applied to 375 mils in one application. The specifications require 10 similar projects of at least three years old for review.



Protecting our community's health and the environment by providing solid waste and sewer collection services.

www.cmsdca.gov

4. The references submitted by National Coating & Lining Co appear to be straight forward application of the product as it is recommended, which is a different technology than as required in the project specifications. The specifications are intended to result in a high build corrosion resistant physical barrier between the wastewater and the existing concrete surfaces of the manholes and pump stations.
5. A 5-year warranty supported by printed manufacture literature does not appear to be included.

Conclusion

The project specifications required submittal of satisfactory evidence the specifications were being adhered to by one week prior to bid opening. Bid opening is April 20, 2015 at 10:00 A.M. and as of April 13, 2015, no information was received that indicates the eco system technology of injecting sand and aggregate into the polyurethane to create a thick mortar is being proposed by National Coating and Lining Co, therefore, National Coating and Lining Co is being requested not to bid on the project and any bid submitted will be returned unopened.

Submitted by:

A handwritten signature in black ink, appearing to read 'R B Hamers'.

Robin B. Hamers, PE
District Engineer