



## City Council Agenda Item Staff Report

CITY OF SAN BRUNO

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**DATE:** March 22, 2022

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jovan Grogan, City Manager

**PREPARED BY:** Matthew Lee, Director

**SUBJECT:** Adopt Resolution Authorizing the City Manager to Execute an Agreement Amendment with Lee & Ro, Inc. for the Redesign of the Cunningham Water Tank (Water Tank No. 1) Replacement Project in an Amount Not to Exceed \$405,201; Approving a 10% Design Contingency; and Accepting up to \$314,500 of Funding from City/County of San Francisco toward the Redesign per the Memorandum of Agreement between City/County of San Francisco and the City of San Bruno

**BACKGROUND:** The City's water distribution system includes eleven (11) pressure zones, approximately 120 miles of distribution pipelines, five (5) connections to San Francisco Public Utilities Commission (SFPUC) connection turnouts, four (4) groundwater wells, eight (8) water storage tanks, eight (8) booster pump stations and twenty-six (26) pressure regulating stations. Water storage tanks perform a critical function by providing storage capacity to meet operational, emergency and fire flow demands.

The Water Tank Improvement and Replacement Capital Improvement Program (Program) funds tank replacement, seismic retrofits, rehabilitation of tanks, and other significant modifications to the existing water tanks. The FY 2021-22 Program includes a project to replace Cunningham Water Tank (Water Tank No. 1). This tank replacement is a high priority within the recommended improvements because it is 58 years old and is reaching the end of its useful life.

Water Tank No. 1 is located behind Cunningham Way between Interstate 280 and Cunningham Way and serves Zone 1/4, which generally encompasses the eastern quarter of the City. Due to its age and condition, the tank can utilize only approximately two thirds of its total 2.5 million gallons capacity. The project originally considered retrofitting the existing tank but upon further investigation, tank replacement was determined to be more cost effective in comparison to the extensive retrofit costs that would provide only short-term benefits.

**DISCUSSION:** Replacing a tank is specialized work which requires a high level of technical expertise in mechanical, electrical, structural and potable water systems construction inspection. City staff do not have the specialized experience inspecting design and construction of water tanks recommended for this project.

In July 2013, City Council authorized an agreement with Lee & Ro, Inc. for design services to perform an evaluation of retrofitting or replacing the tank, as well as provide a geotechnical study and project plans and specifications. The designs were completed and in September 2019, the City retained Consolidated CM to assist with construction management, inspection, and pre-bid constructability review and was prepared to advertise the project for construction.

Just prior to advertisement, San Francisco Public Utilities Commission (SFPUC), a public agency of City/County of San Francisco (CCSF), agreed to fund the redesign and construction of Cunningham Tank to increase its size by 1 million gallons to satisfy a need in emergency water storage need identified in the City's 2012 Water Master Plan and the Groundwater Storage Recovery agreement between SFPUC and the City. This would increase the total water tank storage to 3.5 million gallons.

The City and CCSF developed a Memorandum of Agreement (MOA) and in August 2021, the Council authorized the City Manager to execute the MOA. The final proposal costs for the redesign, which are reflected in the MOA, were provided by the Lee & Ro, Inc., a firm qualified to perform the design services. Per the MOA, CCSF has agreed to pay a fair share of up to a maximum of \$314,500, which includes a 10% contingency. Payment will be provided as a reimbursement. The City will enter into a separate MOA with CCSF prior to construction.

This project will still replace the existing water storage tank with a new pre-stressed concrete tank, structurally upgraded to meet current seismic design standards. The new tank is proposed to be in the same location as the existing tank and many aspects of the original design, such as seismic and geotechnical studies, grading plans, and equipment and design of appurtenances, can be utilized and incorporated as part of the redesign. However, because the tank volume is being increased, the project will require additional environmental clearance, which is included in Lee & Ro's scope related to the amended agreement.

**FISCAL IMPACT:** The total approved project budget is currently just under \$235,000. Since CCSF agrees to reimburse the City up to \$314,500, adequate funding is available in the project budget to execute the agreement amendment in the amount of \$405,201 and provide a 10% design contingency.

**ENVIRONMENTAL IMPACT:** The City will prepare environmental documents as part of the project redesign.

**RECOMMENDATION:** Adopt resolution authorizing the City Manager to execute an Agreement Amendment with Lee & Ro, Inc. for the redesign of the Cunningham Water Tank (Water Tank No. 1) Replacement Project in an amount not to exceed \$405,201; approving a 10% design contingency; and accepting up to \$314,500 of funding from City/County of San Francisco toward the redesign per the Memorandum of Agreement between City/County of San Francisco and the City of San Bruno.

**ALTERNATIVES:**

1. Reject staff's proposal to increase the size of Cunningham Tank by 1 million gallons and proceed with constructing a 2.5 million. This would result in the City having a 1 million gallon deficit in emergency water storage capacity.
2. Direct staff to issue a request for proposals for the redesign. It is unlikely additional favorable proposals would be submitted, further delaying the project.

**ATTACHMENTS:**

1. Resolution
2. Project Location Map
3. FY 2021-22 Capital Budget project sheet