

Memorandum

September 30, 2026

To	City of Rio Dell		
Copy to	Rebecca Crow		
From	Michelle Davidson	Tel	+1 707-267-2255
Subject	Recommendation to Award – Painter Street Tank Earthquake Damage Repair Project	Project no.	12678735

1. Bid Summary, Analysis, and Recommendation for Award

On August 11, 2026, GHD opened bids electronically, at 2:00 p.m. for the Painter Street Tank Earthquake Damage Repair, funded by CalOES via the California Disaster Assistance Act (CDAA). The following table summarizes the bids received:

Table 1: Summary of bid results

Bidder	Total Bid
Wahlund Construction, Inc.	\$2,159,925.00
Mercer-Fraser Company	\$2,520,500.00
GR Sundberg, Inc.	\$2,261,500.00
McCullough Construction, Inc.	\$2,771,392.74

The Total Bid listed above was the basis for determining the lowest bid as stated in the bid forms. Wahlund Construction, Inc. is the apparent low bidder based on the bids received. As stated in the Bidding Requirements, the basis for contract award is the lowest, responsive, responsible bidder. “Responsive” refers to the “bid” while “responsible” refers to the “bidder”.

In considering whether a bid is “responsive”, GHD evaluated whether the bid appropriately met the relevant requirements of the bidding documents including proper completion and submission of appropriate forms. GHD confirmed that all required bid forms provided by Wahlund Construction, Inc. were complete. If there were any irregularities identified in the bid, GHD would determine whether the irregularity in the bid gave the bidder a material advantage or benefit not enjoyed by other bidders. Upon review of the bid submitted by Wahlund Construction, Inc., GHD found that no irregularities were identified resulting in a material advantage.

Regarding whether a bidder is “responsible”, GHD checked the Department of Consumer Affairs Contractors State License Board and determined Wahlund Construction, Inc. has the appropriate active license as do the subcontractors listed in their bid. In addition, GHD checked the State Department of Industrial Relations (DIR) Division of Labor Standards Enforcement website and determined Wahlund Construction, Inc. and their listed subcontractors have active DIR registrations. Lastly, GHD also checked relevant references and verified that

Wahlund Construction, Inc is not currently disbarred from public bidding. Based on this review, Wahlund Construction, Inc. is deemed responsible.

Based on the aforementioned review, the low bidder, Wahlund Construction, Inc. appears to be both responsive and responsible and it is recommended that the City proceed with contracting.

2. Project Funding Review and Contracting for Construction and Related Services

The project is grant funded by CalOES through the CDAA, which pays 75% of eligible costs, based on actual costs. CalOES will be updated on the bid costs for this project

Budget Category	Total Amount
Wahlund Construction., Inc Construction Contract	\$2,159,925.00
Project Contingency	215,992.50
Total	\$2,375,917.50

The Project Contingency in the table above was calculated based on 10% of construction costs. The Project Contingency can be used to address unforeseen site conditions as part of the original design and approved Cal OES scope.

Also attached to this letter is a construction management scope amendment for GHD to support the project implementation. Construction Management was not included in the original scope to allow for the detailed design to be completed first. The attached amendment also includes a scope reduction for design, which was completed under budget.

3. Next Steps and Recommended City Actions

The project implementation process begins with the City issuing the Notice of Award of the construction contract to Wahlund Construction, Inc. and authorizing the construction management amendment with GHD. Wahlund Construction, Inc. will then provide bonds and Insurance, and upon review, GHD will prepare the contract forms and the Notice to Proceed for City execution. Then construction can begin.

In summary, it is recommended that the City Council take the following actions, which can be taken as a single motion:

- Authorize the City Manager to execute the Notice of Award to Wahlund Construction, Inc. for the Painter Street Tank Earthquake Damage Repair in the amount of \$2,159,925.00
- Authorize the City Manager to execute GHD's scope of services to provide Construction Inspection and Management services for the Painter Street Tank Earthquake Damage Repair in the amount of \$175,899.
- Authorize the City Manager to execute the associated Construction Contract upon Wahlund Construction, Inc. providing the necessary bonds and insurance and to take other actions as may be necessary to implement the project.

For any questions or clarifications, please contact GHD.

Regards

A handwritten signature in cursive script that reads "Michelle Davidson".

Michelle Davidson
Project Manager

Attachments:

- Attachment 1 – Bid Tabulation for the Painter Street Tank Earthquake Damage Repair
- Attachment 2 – Notice of Award to Wahlund Construction, Inc. for the Painter Street Tank Damage Repair
- Attachment 3 –GHD Contract for Construction Support Services

Attachment 1

Bid Tabulation

City of Rio Dell
Painter Street Tank Earthquake Damage Repair Project

BID TABULATION
August 11, 2026, at 2:00 P.M.

BASE BID SCHEDULE ITEMS				Wahlund Construction, Inc.		Mercer-Fraser Company		GR Sundberg		McCullough Construction Inc.	
Item No.	Description	Quantity	Units	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal	Unit Cost	Subtotal
1	MOBILIZATION/DEMOLITION	1	LS	\$ 66,000.00	\$ 66,000.00	\$ 250,000.00	\$ 250,000.00	\$ 66,700.00	\$ 66,700.00	\$ 209,271.28	\$ 209,271.28
2	CONSTRUCTION STAKING	1	LS	\$ 30,000.00	\$ 30,000.00	\$ 27,000.00	\$ 27,000.00	\$ 29,900.00	\$ 29,900.00	\$ 27,400.00	\$ 27,400.00
3	TRAFFIC CONTROL	1	LS	\$ 2,100.00	\$ 2,100.00	\$ 1,500.00	\$ 1,500.00	\$ 2,800.00	\$ 2,800.00	\$ 10,725.00	\$ 10,725.00
4	EROSION AND SEDIMENT CONTROLS	1	LS	\$ 8,400.00	\$ 8,400.00	\$ 45,000.00	\$ 45,000.00	\$ 14,000.00	\$ 14,000.00	\$ 39,174.59	\$ 39,174.59
5	HAZARDOUS MATERIALS ABATEMENT	1	LS	\$ 22,000.00	\$ 22,000.00	\$ 40,000.00	\$ 40,000.00	\$ 47,400.00	\$ 47,400.00	\$ 76,999.18	\$ 76,999.18
6	POTHOLING AND OTHER UTILITY LOCATING	1	LS	\$ 3,300.00	\$ 3,300.00	\$ 5,000.00	\$ 5,000.00	\$ 14,500.00	\$ 14,500.00	\$ 42,329.59	\$ 42,329.59
7	TANK DEMOLITION	1	LS	\$ 59,000.00	\$ 59,000.00	\$ 200,500.00	\$ 200,500.00	\$ 58,000.00	\$ 58,000.00	\$ 167,303.39	\$ 167,303.39
8	MISCELLANEOUS YARD PIPING AND SITE DEMOLITION	1	LS	\$ 15,000.00	\$ 15,000.00	\$ 50,000.00	\$ 50,000.00	\$ 15,000.00	\$ 15,000.00	\$ 74,083.86	\$ 74,083.86
9	TANK FOUNDATION INCLUDING EARTHWORK	1	LS	\$ 422,725.00	\$ 422,725.00	\$ 325,000.00	\$ 325,000.00	\$ 336,000.00	\$ 336,000.00	\$ 500,167.82	\$ 500,167.82
10	NEW 250,000 GALLON GLASS FUSED TO STEEL WATER TANK	1	LS	\$ 1,106,400.00	\$ 1,106,400.00	\$ 1,161,500.00	\$ 1,161,500.00	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,119,159.99	\$ 1,119,159.99
11	YARD PIPING INCLUDING MODIFICATIONS TO EXISTING PIPING	1	LS	\$ 289,500.00	\$ 289,500.00	\$ 250,000.00	\$ 250,000.00	\$ 232,000.00	\$ 232,000.00	\$ 374,537.04	\$ 374,537.04
12	ELECTRICAL AND CONTROL SYSTEM MODIFICATIONS	1	LS	\$ 106,500.00	\$ 106,500.00	\$ 100,000.00	\$ 100,000.00	\$ 113,000.00	\$ 113,000.00	\$ 108,035.00	\$ 108,035.00
13	FINAL SITE GRADING, GRAVEL, MISCELLANEOUS SITE MODIFICATIONS, AND RESTORATION	1	LS	\$ 29,000.00	\$ 29,000.00	\$ 65,000.00	\$ 65,000.00	\$ 32,200.00	\$ 32,200.00	\$ 22,206.00	\$ 22,206.00
Total Base Bid Schedule					\$ 2,159,925.00		\$ 2,520,500.00		\$ 2,261,500.00		\$ 2,771,392.74

Attachment 2

Notice of Award

NOTICE OF AWARD

TO: Wahlund Construction Inc.
PO Box 6486
Eureka, CA 95502

PROJECT: Painter Street Tank Earthquake Damage Repair

The OWNER has considered the BID submitted by you for the above described WORK in response to its Advertisement for BIDS dated July 2, 2026 and Information for BIDDERS.

You are hereby notified that your BID has been accepted for items in the amount of

Two Million One Hundred Fifty-Nine Thousand Nine Hundred Twenty-Five Dollars (\$
\$2,159,925.00)

You are required by the Information for BIDDERS to execute the Agreement and furnish the required Contractor's certificates of insurance within ten (10) calendar days from the date this Notice is received by you.

If you fail to execute said Agreement and to furnish said INSURANCE within ten (10) calendar days from the date of receipt of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned and as a forfeiture of your BID BOND. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this NOTICE OF AWARD to the OWNER.

Dated this _____ day of _____, 20____

Owner: City of Rio Dell

By: _____ Title: _____

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE OF AWARD is hereby acknowledged by:

(Name of Contractor)

Dated this _____ day of _____, 20____

By: _____ Title: _____

Attachment 3

**GHD Contract for Construction Support
Services**



Q1403 Amendment/Change Form

This Amendment/Change is effective this 30th day of September, 2026, (the "Effective Date") between GHD Inc. (hereinafter "GHD") and City of Rio Dell (hereinafter "Client"). In consideration of the mutual promises set forth herein, GHD and Client agree to modify the project details for the Original Agreement between GHD and Client referenced herein.

Project details			
Project name:	Painter Street Tank Damage Repair Project	Project number:	12678735
Effective date of original agreement:	06/24/2025	Project Manager:	Michelle Davidson
Description of proposed change:			
GHD completed the design and bid-phase services for the Painter Tank Damage Repair Project following damage sustained during the December 2022 and January 2023 earthquake events. The project scope was developed to support the replacement of the City's 250,000-gallon Painter Tank and associated site piping following earthquake-related damage. The earthquake caused significant damage to the tank, including "elephant's foot" buckling of the tank shell near its base and damage to associated piping. Engineering evaluations determined that the tank could not be cost-effectively repaired and that full replacement of the tank and associated infrastructure was the recommended approach. The original scope anticipated that construction support services would be authorized under a separate scope and fee following completion of the design and bidding phases. The original scope identified optional construction support services, including pre-construction assistance, construction management, periodic on-site construction observation, and project closeout services, to be provided under a future authorization. To support successful project delivery, this amendment adds Task 5 – Construction Management Services to the scope of work. Task 5 includes services associated with pre-construction assistance, construction management, periodic construction observation, and project closeout. These services will provide coordination between the City and Contractor, review of contractor submittals and payment applications, management of requests for information and contract changes, construction observation, project documentation, and preparation of final project record documents. The addition of Task 5 will allow GHD to continue supporting the City through construction and project closeout activities, helping to ensure the replacement facility is constructed in accordance with the project plans, specifications, funding requirements, and project objectives. See attached Exhibit A for the scope of services associated with this Amendment.			
Current budgeted effort:	\$ 264,151	Current completion date:	09/30/2026
This change (variation):	\$ 175,899		
Revised budgeted effort total:	\$ 440,050	Revised completion date:	12/30/2027

In witness whereof, GHD and Client have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

GHD

GHD Inc.

Michael Beerends

Business Group Leader

09/30/2026

Client

Kyle Knopp

City Manager

Exhibit A

Painter Street Tank Damage Repair Project

Amendment 1

GHD completed the design and bid-phase services for the Painter Tank Damage Repair Project following damage sustained during the December 2022 and January 2023 earthquake events. The project scope was developed to support the replacement of the City's 250,000-gallon Painter Tank and associated site piping following earthquake-related damage. The earthquake caused significant damage to the tank, including "elephant's foot" buckling of the tank shell near its base and damage to associated piping. Engineering evaluations determined that the tank could not be cost-effectively repaired and that full replacement of the tank and associated infrastructure was the recommended approach.

The original scope identified optional construction support services, including pre-construction assistance, construction management, periodic on-site construction observation, and project closeout services, to be provided under a future authorization. To support successful project delivery, this amendment adds Task 5 – Construction Management Services to the scope of work. Task 5 includes services associated with pre-construction assistance, construction management, periodic construction observation, and project closeout, as presented below.

Task 5: Construction Support Services

Following award of the project, GHD will provide construction support services as authorized under this amendment. The services included in Task 5 are as follows:

- Pre-Construction Assistance
- Construction Management
- Periodic On-Site Construction Observation
- Construction Project Closeout

These services are further described in the following sections:

Task 5.1 Pre-Construction Assistance

Following the award of the project, but prior to the start of construction, GHD would provide the following pre-construction services:

- Review Contractor's initial construction schedule for adherence to project requirements and ease of monitoring progress.

- Review Contractor's preliminary traffic control plan.
- Review Contractor's breakdown of lump sum cost items.
- Prepare and distribute the pre-construction meeting agenda, conduct meeting, compile meeting minutes and a task list, and distribute to the project team.
- Summarize work and expectations of the City at pre-construction meeting including contract requirements and coordination required for the completion of the work, roles and responsibilities, schedule of work, submittals, work hours, notifications, Contractor's sole responsibility for project safety, coordination with utilities, materials testing, labor and employment compliance.

Task 5.2 Construction Management

GHD would provide overall coordination of communication between the Contractor, the City, and other parties throughout the course of the project's construction. Many of the items below would involve the input and feedback of the City and others.

- Review Contractor monthly payment requests, review differences in payment quantities with contractor, and prepare and submit recommendations of payment requests to City.
- Maintain project records and files as needed for general compliance with contract requirements.
- Review and respond to Contractor submittals, based upon the plans and specifications.
- Review Contractor's construction schedule and progress for adherence to project schedule, coordinate with the Contractor on planned activities, notify Contractor, and City of any schedule issues identified, review schedule revisions and negotiate time extensions if necessary.
- Manage Contractor correspondence including Request for Information (RFIs) and Contract Change Order (CCOs).
- Attend weekly virtual progress meetings for construction coordination with City and Contractor.
- Coordinate with various businesses and residences adjacent to the project.
- Attend on-site meetings to address construction issues, prepare agenda and meeting minutes.

Task 5.3 Periodic On-site Construction Observation

GHD would provide the following on-site construction observation services:

- Provide periodic part-time on-site construction observation to review Contractor general conformance with the project plans and specifications.
- Prepare observation reports including digital photo logs of progress.
- Maintain a set of red line plans depicting changes noted by the construction observer.
- Review Contractor activities.
- Review Contractor's erosion and sediment control BMPs.
- Collect and maintain material tags and testing tags/reports.
- Review Certificates of Compliance and test reports.
- Reject or Recommend deductions for materials not meeting the project requirements.
- Monitor Contractor compliance in maintaining construction record drawings in coordination with the progress pay request.

Task 5.4 Construction Project Closeout

GHD would complete the project closeout activities as follows:

- Final walkthrough and punch list
- Prepare and record Notice of Completion
- Prepare Record Drawings from construction red lines provided by the field observers and Contractor
- Compile and provide to the City in electronic format:
 - Project photographs
 - Submittals
 - Inspection and observation reports
 - Materials testing and inspection records and final reports
 - Meeting records
 - Record Drawings
 - Other relevant project information

GENERAL EXCLUSIONS AND ASSUMPTIONS

This scope amendment is based on the tasks described above which are anticipated for the project. The City may need additional services during the process of the project due to increased regulatory issues, unusual public interest, and additional issues identified during the project investigations.

This scope is based on the following assumptions:

- This scope does not include anything not specifically described above.
- This scope does not include easement coordination with any landowners.
- The scope does not include any material testing or construction staking.
- The scope of services does not include any design changes following the completion of the 100% design submittal.

PROPOSED SCHEDULE

GHD will commence work on the project following receipt of an executed agreement and initiation of construction. This amendment assumes construction will be completed in approximately 52 weeks, including time for tank fabrication and lead time of materials.

COMPENSATION

This amendment reduces the engineering design budget based on final costs, adds budget for additional bid-period services, and adds budget for construction and project management through project completion. Table 1 below shows a summary of the original contract budget and the proposed amendment.

Table 1 Amendment 1 Budget Summary

Category	Original Contract Amount	Amendment 1	Revised Contract Amount
Task 1 Project Management and Coordination	\$14,259	\$10,000	\$24,259
Task 2 Engineering Design and Bid Package Development	\$234,962	(\$41,507)	\$193,455
Task 3 Environmental Evaluation	\$7,911	\$0	\$7,911
Task 4 Bid Period Services	\$7,019	\$8000	\$15,019
Task 5 Construction Management			
Task 5.1 Pre-Construction Activities	\$0	\$8,734	\$8,734
Task 5.2 Office CM	\$0	\$84,292	\$84,292
Task 5.3 On-Site CM	\$0	\$90,156	\$90,156
Task 5.4 Project Closeout	\$0	\$16,224	\$16,224
TOTAL	\$264,151	\$175,899	\$440,050

GHD will use the approved rates in the current master services agreement, including annual increases. GHD reserves the right to move budget between tasks up to 5% of the total contract, unless prior approval is obtained by the City. Payment to GHD is not contingent upon the City receiving funds from outside sources. Invoices are due and payable within 30 days of the date of the invoice.