

# STAFF REPORT



**SUBJECT:** Lillian 1 MG GST - Additional Repairs  
**MEETING:** Special Council Meeting - 17 JAN 2023  
**DEPARTMENT:** Public Works - Water  
**STAFF CONTACT:** Nick Williams

## RECOMMENDATION:

Staff recommends approval of the proposal from Texas Aquastore, Inc. of Sherman, Texas to perform the additional repairs to the floor of the Lillian 1,000,000 gallon (1 MG) Ground Storage Tank (GST).

## BACKGROUND:

The city maintains a 1 MG GST at the Lillian pump station. The tank is an above ground, glass-lined, bolted, steel-panel tank. The tank was installed in 2001 and has developed leaks around some of the caulked wall panel joints. The original wall panel repairs for this tank were approved at the Special Council Meeting on October 18, 2022.

## PROPOSAL:

Upon draining and cleaning the tank to perform the wall-panel repairs, damage was discovered in the floor of the tank. The damage was undetectable until the tank was drained and the floor thoroughly cleaned. Texas Aquastore, Inc. is performing temporary repairs to the existing tank floor panels to seal the tank until the replacement panels are installed.

Attached is a quote received from Texas Aquastore, Inc. to perform the additional, necessary repairs to the floor of the tank for \$129,965.00. Texas Aquastore, Inc. has stated the glass-lined, bolted, steel-panels for the tank have a 36-week lead time from the date of order. Photographs showing the condition of the existing floor panels are attached.

Also attached is a letter from the tank manufacturer (CST Storage) stating Texas Aquastore, Inc. is the exclusive dealer for this tank.

## FISCAL IMPACT SUMMARY:

The FY22-23 adopted budget included \$110,000 for the originally identified repairs. The original proposal was for \$102,492, leaving a positive balance of \$7,508.00 under the approved budget.

The proposal to replace the tank's floor panels is \$129,965.00. With the \$7,508 savings from the original project, a balance of \$122,457 is necessary to fund the Lillian tank's floor repairs.

Savings from the 377 Elevated Storage Tank (EST) Rehabilitation project would be used for the Lillian tank floor repairs. \$500,000 was budgeted for the 377 EST project and the total cost is anticipated to be \$357,900 leaving a balance of \$142,100. This would leave a positive balance between the two projects of \$19,643.00.

## ALTERNATIVES:

The following alternatives are provided for consideration:

1. Do not recommend approval of the tank floor repairs as presented, or
2. Recommend an alternate repair company or repair methodology.

## ADVANTAGES:

1. Approval allows the materials to be ordered immediately and the tank repairs to be scheduled in the fall of 2023.
2. Texas Aquastore, Inc. originally installed the tank and is certified to perform maintenance on glass-lined tanks.
3. The city has used Texas Aquastore in the past to perform minor repairs with success.

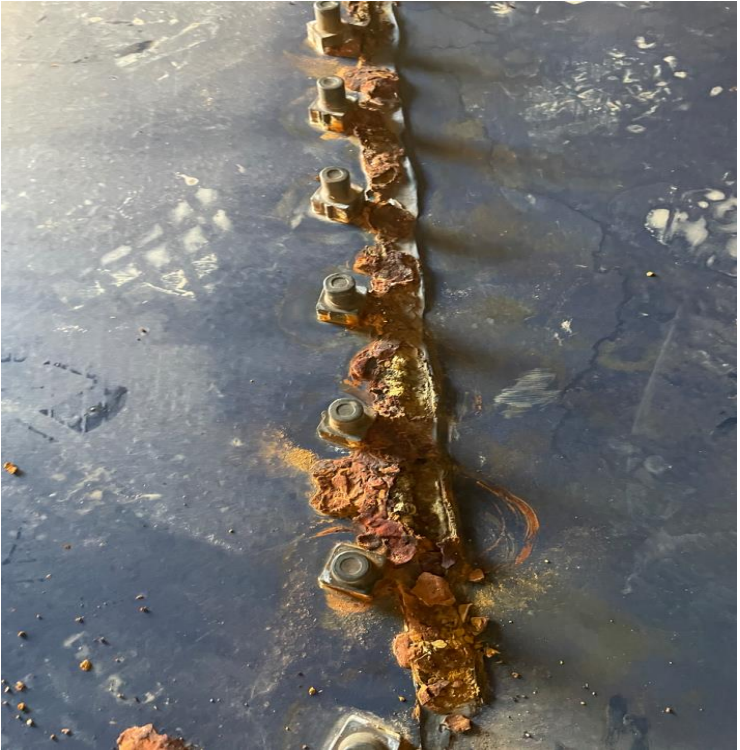
## DISADVANTAGES:

1. The repairs are an unforeseen cost.

## ATTACHMENTS:

[2023\\_01-17 – Lillian Tank Photographs – 2023\\_01-11](#)  
[2023\\_01-17 – Texas Aquastore Quote – 2023\\_01-11](#)  
[2022\\_01-17 – Authorized Dealer Letter - 2021\\_02-04](#)













1422 West Houston Street Sherman, Texas 75092

Phone: (903) 870-5000

Fax: (903) 870-5004

## Rev. Stephenville, TX PROPOSAL FLOOR PANELS 01112023-002

TO: City of Stephenville  
298 W. Washington  
Stephenville, TX 76401  
Attention: Danny Boucher  
Phone: 254-485-1767  
Email: dboucher@stephenville.gov  
Submitted by: *Chad Callahan*

DATE: January 11, 2023  
PROJECT: Stephenville  
MIP# 8011818  
Tank Info: 7632 SFWT  
TERMS: 50% down payment  
50% on completion

QUANTITY	We are pleased to quote you on the following material for acceptance within 15 days:	UNIT PRICE	EXTENSION
1	Option No. 1: Material all new floor panels complete with all new hardware & sealer, includes. Note bolts in floor angle will need to be reused.	\$94,516	\$94,516
1	Option No. 2: Labor & Equipment to safely remove damaged floor panels and install new floor panels complete and in place.	\$35,449	\$35,449
1	Mobilization included in above pricing. Freight to the Jobsite included in above pricing.  Supplied by Buyer: <ul style="list-style-type: none"> <li>Tank to be empty and clean of sediments prior to our arrival.</li> <li>Taxes, TERO Fees, Bonds &amp; permits if required.</li> <li>Water cleaning and water testing.</li> <li>Tank Disinfection</li> <li>Dumpster for Trash Disposal</li> </ul> <b>NOTE 1:</b> To facilitate the works, the tank must be drained & cleaned out by the Purchaser prior to the arrival of our personnel.  <b>NOTE 2:</b> Proposed scope of work is based on the TA's inspection of the tank exterior and interior and general experience with Aquastore Tanks of similar age and service. TA makes no guarantee that the tank re-caulk will remedy all tank deficiencies. If scraping of sealer from panel edges exposes damage	TOTAL	\$129,965

	<p>to any sidewall panel that TA determines cannot be repaired by patching and requires panel replacement instead, TA will advise Buyer of the additional cost to supply replacement panel(s). If during the course of performing the Seller's scope of work, other damage to the tank shell is revealed, TA will notify the Buyer's designated project coordinator to discuss the extent of additional work and cost. Additional repairs will not be performed unless Buyer agrees to any added cost proposed by TA. Depending on the scope of any additional repairs, TA will advise Buyer whether the repairs can be made promptly or will require remobilization.</p> <p><b><u>NOTE 3:</u></b> Mobilization to cover travel to and from site from our Sherman office will be charged for each trip. Mobilization will be charged and invoiced to the Purchaser if Purchaser cancels the inspection unless TA is notified at least 7 days prior to the scheduled arrival of TA personnel.</p> <p><b><u>NOTE 4:</u></b> Price is valid for acceptance for 30 days from the date of this Proposal.</p>		
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Accepted for the purchaser: \_\_\_\_\_ Date: \_\_\_\_\_ 20\_\_\_\_\_

Scheduling of the job may be affected based on the regulations established by the Governor's office concerning COVID-19 guidelines.

Any and all required permits (confined space, building, work, etc.) are to be furnished by others. All Texas Aquastore employees are confined space trained. Any disinfection process will be performed by others and is not the responsibility of Texas Aquastore Inc.

This quotation is based on non-prevailing wages and is valid for sixty days. Any applicable taxes are not included. Payment is due at the time of invoice. Texas Aquastore general terms and conditions will apply.

Any disinfection process will be performed by others and is not the responsibility of Texas Aquastore Inc.

Payment Schedule for the above work:

50% of contract amount as Down Payment with signed Purchase Order.  
50% of contract amount do on completion.

It is the responsibility of others to provide 360° access around the tank in order to utilize a man lift.

While the work is being performed the tank would have to be taken offline, the water level set at a requested height, and that same height maintained while the work is performed.

While on site, any magnesium sacrificial anodes found to have less than 50% life remaining; can be replaced by Texas Aquastore for an additional \$600 each.

While on site, any zinc sacrificial anodes found to have less than 50% life remaining; can be replaced by Texas Aquastore for an additional \$600 each.

Thank you for selecting Texas Aquastore as your water storage provider. We pride ourselves on quality and customer service. As part of our commitment to you the customer, we are going to great lengths to ensure your job continues to move forward despite the COVID related delays pertaining to material supply and

travel restrictions. In order to continue forward on our jobs that require COVID testing and quarantines, Texas Aquastore will agree to test and quarantine our builders when required and charge the Buyer for these costs per the Rate Sheet below.

As a reminder, the contract price and scope of work does not factor in possible schedule delays or extra costs associated with COVID-19 pandemic as the scope of this potential impact was unknown at bid time. It is reasonable to expect that the pandemic may have adverse impact in available labor and materials due to policies limiting travel, requiring social distancing, and self-isolation. Therefore, to the extent permitted by our contract to claim against a Force Majeure event, we reserve all rights to (1) an extension of time based upon any delay to the project caused by COVID-19; (2) additional compensation based upon unforeseen costs incurred related to materials, labor, or mobilization caused by COVID-19. While we provide this notice as a precaution, we assure you that we are doing everything in our power to avoid delays or increased costs to the project, while remaining compliant with the health and safety directions, guidelines, and requirements issued by local municipalities, and governments.

#### ACKNOWLEDGMENT

- a. Acknowledge order immediately by returning duplicate signed by authorized representative.
- b. The entire agreement between the parties consists of the Purchase Order and any documents incorporated by referenced as stated herein and no other acceptance or acknowledgment or other conditions will apply. Amendments, if any, will be made in writing by agreement only and must be signed by both parties.
- c. Failure to secure all necessary licenses, permit, etc., shall be reason for penalty, back charge or cancellation.
- d. In the event Vendor/Subcontractor fails to acknowledge this Purchase Order in accordance with the provisions hereof within ten (10) days from date of Purchase Order, then it shall be deemed canceled, null and void, and incorporated at Contractor's option.

#### 2. SHIPPING

All deliveries must be during regular working hours maintained at the jobsite. No layover time will be paid by Contractor. All shipping charges will be prepaid by Vendor/Subcontractor unless specifically noted to the contrary.

#### 3. PERFORMANCE

Except where specifically noted, Vendor/Subcontractor at his expense shall provide all labor, equipment, tools, and materials necessary to provide the finished product described in this Purchase Order. Orders should be delivered complete and no backorders are acceptable. Vendor/Subcontractor shall immediately notify Contractor of any backordered items. Any added expenses incurred from backordered or omitted items shall be the obligation of the Vendor/Subcontractor. Contractor shall have the option of canceling without penalty any portion of this Purchase Order that is backordered or not delivered for any reason.

#### 4. QUALITY AND DESIGN OF PRODUCT OR SERVICES

Vendor/Subcontractor shall furnish at his expenses any samples, shop drawings, certificates, affidavits, reports, test results or any other written or physical data that may be required by Contractor for the proper acceptance performance hereunder.

#### 5. OWNER APPROVAL

In accordance with the principal contract, this Purchase Order is subject to the approval of the Owner. In the event the Owner disapproves Vendor/Subcontractor for any cause whatsoever, this Purchase Order will immediately become null and void and neither party will have any claim as against the other.

#### 6. INSURANCE

Prior to providing any work or materials, Vendor/Subcontractor will obtain the following insurance and furnish the Contractor with certificates, evidencing it, covering the period Vendor/Subcontractor is performing hereunder, to wit:

- a. Worker's Compensation insurance in accordance with law and Employer's Liability Insurance with the requirements of the principal contract and/or applicable state law or other constituted authority.
- b. Comprehensive Public Liability insurance including protection of Contractor against claims arising out of Vendor/Subcontractor operations. Vendor/Subcontractor shall save and hold Contractor harmless from any and all such claims. Required limits of liability are Bodily Injury - \$500,000/\$1,000,000; Property damage - \$1,000,000 each occurrence.
- c. Comprehensive Automobile Liability Insurance with required limits of liability to be same as limits in (b) above.
- d. Products and completed operations hazard insurance.
- e. All of the above insurance shall provide that the same may not be canceled or charged without ten days prior written notice to the Contractor by certified mail. In the event Vendor/Subcontractor fails to carry the Insurance specified herein above the Contractor may obtain such insurance, charge it to the Vendor/Subcontractor who agrees to furnish all necessary information. Vendor/Subcontractor agrees that the provisions set forth in this paragraph shall be imposed upon, assumed and performed by each of its sub-vendors, sub-sub-vendors, and sub-sub-contractors.

#### 7. CHARGES AND/OR EXTRAS

- a. No changes as to quantities, descriptions, prices, extent of service, etc. shall be made, nor will any charge for extras be allowed unless it has been authorized in writing by Contractor. No charge will be allowed for freight express, cartage, demurrage or other transportation or storage unless agreed to and specified in this order. The amount of this Purchase Order shall include and therefore shall not be increased on account of any charges in the cost of any material, labor, freight storage, existing or future taxes or other charges.
- b. The Contractor may at times, issue written orders to the Vendor/Subcontractor making changes in adding to or subtracting from work to be performed hereunder. The Vendor/Subcontractor shall not deviate from, add to, delete from or make changes in the work required to be performed hereunder, unless so directed by prior written order from Contractor signed by its project manager. Contractor and Vendor/Subcontractor shall negotiate and endeavor to agree in writing to any change in time of performance or in the amount to be paid or the credit to the allowed under this agreement. In the event Contractor and Vendor/Subcontractor are unable to agree, Vendor/Subcontractor nevertheless shall and hereby agrees to proceed with performance as ordered. The questions of change in the amount to be paid or time of performance shall be submitted in the form, manner and within such time as it will enable Contractor to make timely claim thereof from the Owner as prescribed for the presentation of such claim or disputes in the principal contract. If no additional time or compensation is required by Vendor/Subcontractor in writing within 48 hours after receipt of a particular order from Contractor making changes in or adding to work or after a dispute as to work included with is Purchase Order. It shall be construed that there is no additional time or compensation requested or required. In addition, the order will be fully complied with and/or work performed by the Vendor/Subcontractor without any extension or time or additional compensation.

#### 8. COMPLIANCE WITH THE LAW

- a. Vendor/Subcontractor shall comply with all applicable Federal, State, and Local laws and regulations.
- b. Vendor/Subcontractor shall secure and pay for all necessary permits in connection with its work.
- c. This Purchase Order shall take effect and be construed in accordance with the laws of the State of Florida applicable to agreements to be entirely performed with the State, even if the goods or services ordered hereby may be shipped from or delivery is made in, another State or Country.

d. If any controversy shall arise under this contract, and there is not provision for resolution in the General Contract, then either party hereby may demand arbitration by reference to a Board of Arbitration. It should consist of one person selected by Subcontractor, these two to select a third, and in case these two shall fail to select a third within three days, he shall be named by Architect or his authorized representative. In case either party fails to name an arbitrator within three days after requested to do so, the Engineer, or his authorized representatives, shall name an arbitrator to represent the party so failing to name one. The written decision of any two of this Board shall be final and binding on both parties hereto. Each party shall pay one-half of the expense of arbitration.

9. LIENS AND INDEMNIFICATION: PROOF OF PAYMENT

Vendor/Subcontractor shall give Contractor such proofs, affidavits, releases or other documents reasonably required by Owner or Contractor's counsel evidencing the status of the accounts between Vendor/Subcontractor and Contractor and the status of the accounts between Vendor/Subcontractor and any subcontractor, sub-sub-contractor, material, men or laborer performing labor or services and/or delivering materials in and about the work labor, services and/or material to be provided by Vendor/ Subcontractor under this Purchase Order, which Contractor may require to assist Contractor in meeting requirements of the Mechanics Lien Law of the State of Florida and the Contractor's contract with the Owner to allow or entitle Contractor to a periodic or final payment under the principal contract.

Scheduling of the job may be affected based on the regulations established by the Governor's office concerning COVID-19 guidelines.

Any and all required permits (confined space, building, work, etc.) are to be furnished **by others**. All Texas Aquastore employees are confined space trained. Any disinfection process will be performed **by others** and is not the responsibility of Texas Aquastore Inc.

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While the work is being performed the tank would have to be taken off line, the water level set at a requested height, and that same height maintained while the work is performed.

While on site, any sacrificial anodes found to have less than 50% life remaining; can be replaced by Texas Aquastore for an additional \$450 each.

*"If, during the performance of this contract, the price of an input significantly increases, the price of shall be equitably adjusted by an amount reasonably necessary to cover any such significant price increases. As used herein, a significant price increase shall mean any increase in input price exceeding 2% experienced by contractor from the date of the contract signing. Such price increases shall be documented through quotes, invoices, or receipts. Where the delivery of is delayed, through no fault of contractor, as a result of the shortage or unavailability of an input, contractor shall not be liable for any additional costs or damages associated with such delay(s)."*



February 4, 2021

Attention: To Whom It May Concern

Subject: CST Storage – Reference Projects Texas Aquastore, Inc.

CST Storage Company markets their Aquastore® Glass Fused to Steel tank through an Authorized Dealer Network. This helps to ensure the customer receives the highest quality installed tank available.

Texas Aquastore, Inc. is our exclusive authorized Municipal and Industrial Aquastore® sales dealer and installer in the state of Texas, Oklahoma, Arkansas, New Mexico, Arizona, and Nevada.

As part of the Aquastore® tank warranty and maintenance, Texas Aquastore, Inc. erection crews are factory trained and certified to install Aquastore® Glass Fused to Steel water and wastewater storage tanks per the manufacturer's required specifications and procedures.

If you have any questions regarding the dealer certified erection crews and/or erection procedures, please contact Texas Aquastore, Inc. directly or CST Storage.

**Texas Aquastore, Inc.**

1422 West Houston Street

Sherman, TX 75092

Phone: (903) 870-5000

Fax: (903) 870-5004

Website: <http://texas-aquastore.com>

Sincerely,

Chris Forbes  
Manager of Inside Sales

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CST Industries, Inc.

World Headquarters, 903 E 104<sup>th</sup> Street, Suite 900 | Kansas City, MO 64131 USA

Phone 844-44-TANKS | Fax 913.621.2145

[www.cstindustries.com](http://www.cstindustries.com)