

# Atlantic Division

## ROICC LAJES FIELD, AZORES

ROICC Report

FEBRUARY 2003

### Project Summary:

Contract Number: **N62470-02-C-2071**

Title and description: **API TANK REPAIRS, TANKS 1642 AND 1643, LAJES FIELD, AZORES.**

(A/F Project # **TSAX00-1005**)

The work includes demolishing existing steel plate tank bottoms, installing new liner, sand bed, Cathodic protection system, interstitial drains, and new steel plate tank bottom as well as demolishing existing interior coating system and applying new interior coating system and incidental related work (on both tanks 1642 and 1643).

Award date: 07/1/2002.

% Complete: Planned – **27.50%**; Actual – **28.00%**

Award amount (including options): \$3,256,928.00

Current price (including change orders and options):

\$3,256,928.00

Projected total cost at completion (including all pending and potential modifications): \$3,298,692.99

Original Contract Completion Date (CCD): 10/09/2003.

Current CCD: 10/09/2003.

Beneficial Occupancy Date (BOD): 10/09/2003.

Change Order Rate (all) (\$ value of all change orders / award price; expressed as %): 0.00%

AROICC: Mr. Victor Hugo Borges.

Construction Representative: Mr. James Homan.

A/E of record: Austin Brockenbrough and Associates.

Prime Contractor: Seth LDA.

Design Assessment: (An assessment of design quality, on a scale of 1 (low) to 10 (high)) – 8

Contractor Performance: (An assessment of construction quality, on a scale of 1 (low) to 10 (high)) – 9

Contractor Performance: (An assessment of construction timeliness, on a scale of 1 (low) to 10 (high)) – 8

Remarks: **A synopsis of significant project events and milestones follows:**

### Construction Photos



West view of tank T-1642. The same conveyor system is being used with tank T1643 (65% sand removal complete in T-1643)



Interior view of tank T-1642. Please note the placement of the flexible membrane liner on the surface (87% complete).

## **REMARKS:**

### **SEPTEMBER 2001:**

- On September 28 the contract was awarded to Andre Toste & Joao Paulino, LDA.

### **OCTOBER 2001:**

- On October 2 the Pre-Construction Conference letter to the contractor was issued, notifying them that such Conference would take place on October 30.
- On October 18 the Contracting Officer issued a Suspension of Work in accordance to FAR clause 52.242-14, since the client could not make tanks T-1642 and T-1643 available for repairs. Tanks T-1634 and T-1635 would need to be temporarily repaired before, thus allowing the first two tanks to be emptied and cleaned.
- On October 22 the contractor called our office asking if they could proceed with all the Submittal process; we instructed them that FAR clause 52.242-14 was very specific, and all work under the contract shall be suspended.
- On October 25 the contractor was notified that the Pre-Construction Conference had been suspended due to the Suspension of Work.

### **NOVEMBER 2001:**

- No significant events occurred during this month.

### **DECEMBER 2001:**

- On December 03 we were notified by the A&E firm that the contractor had contacted them directly, for an RFI. Our office instructed the A&E firm to return this RFI without response, and to let them know that these issues should be directed to the ROICC for proper action.

### **JANUARY 2002:**

- No significant events occurred during this month.

### **FEBRUARY 2002:**

- No significant events occurred during this month.

### **MARCH 2002:**

- On March 19 the contract was Terminated for Convenience of the Government, due to several discrepancies discovered on the contractor's proposal.
- An Unilateral modification was issued to this regard.
- Currently LANTDIV is on the re-procurement process for this project.
- LANTDIV is looking for additional funds to award both tanks at the same time, instead of having the second tank as an optional contract for the following fiscal year.
- LANTDIV will issue an RFP for both tanks for the second low bidder; The award of the contract should take place shortly after. If negotiations with the second low bidder do not put the price into the "competitive" range, then the negotiations will be terminated and will proceed to re-advertise the project.

### **APRIL 2002:**

- Currently LANTDIV is on the re-procurement process for this project.
- LANTDIV has issued an RFP for both tanks for the second low bidder; as part of the RFP the contractor was asked to present alternatives for the constructive part of the project in order to reduce the price within competitive range.
- The second low bidder presented an alternative, which proposed a change on the Telltale pipes that go underneath each tank.
- The proposed change was presented to our clients, and they did not have any objections operation wise.
- The alternative was presented to the designer of record, Austin Brockenbrough and Associates, and they objected to the design due to the fact that it might reduce the life span of the bottom of the tanks.
- LANTDIV informed the second low bidder about this, and asked them to present another offer, which would adhere to the original design. Currently we are waiting for their reply.

### **MAY 2002:**

- The second low bidder presented an offer within competitive range, considering four additional conditions that we would have to meet, among which is that the Base would provide the required electrical power for the project.
- After conversations with the 65<sup>th</sup> CES we were informed that the Base did not have any available generator that could provide the necessary power for their requirements.
- We went back to the second low bidder and informed them that we could not provide the required power for this project, and that they should present an offer where they would get temporary power from the commercial electric company, or bringing their own generators. We are waiting for their new offer, which would include three out of the four conditions granted by the Government, plus the electrical power obtained by Seth on either option (Commercial or Generator).

## **JUNE 2002:**

- The second low bidder presented a new offer, which includes three out of the four conditions granted by the Government, plus the electrical power provided by generators, since they could not obtain temporary commercial power.
- Since the offer is above competitive range, we asked the second low bidder to consider an offer, which is between the top competitive range price and their new offer (we established this price). LANTDIV HQ is still negotiating with this company in order to award the contract in the shortest time possible.
- The contract is scheduled to be awarded by 01 July 2002. LANTDIV HQ and the second low bidder are currently on final negotiations for this purpose.
- After being awarded, the new contract will have a different contract number.
- Currently LANTDIV HQ is holding negotiations with Andre Toste & Joao Paulino, LDA in order to adjust the final payment for all the expenses that they incurred due to this contract; after this has been finished their first and final payment will be issued, and the contract will be officially closed out.

## **JULY 2002:**

- The second low bidder has been awarded the tank repairs under a new contract number (please refer to page 1 of the report) on July 1<sup>st</sup>, 2002; the total cost for the project is \$ 3,256,928.00; the project is scheduled for completion on October 9, 2003.
- The contract was awarded after several negotiations with the contractor, and granting 3 out of four of the original conditions requested by the contractor, in order to lower their offer within competitive range.
- The conditions requested by the contractor in order to lower their offer are: The use of an existing pre-engineered building warehouse as part of the lay down area for the project, the use of an approved Geotextile (already approved by the A&E of record) for the membranes under the bottom of the tanks, a different constructive method for the installation of the Telltale pipe, and finally, supply electric power required for the execution of the project (this condition was not granted to the contractor).
- Currently the contractor is on the submittal process for this contract.
- In order to start the project, at least one of the tanks have to be released for repairs. Currently the temporary repairs for tank 1635 has been completed. The temporary repairs on the bottom of tank 1634 have been completed; the concrete containment dikes are under repair; the tower stairs for this tank is still pending. In order to release each one of the tanks subject of this project, the fuel has to be transferred to the tanks currently undergoing temporary repairs.
- Currently LANTDIV HQ is holding negotiations with Andre Toste & Joao Paulino, LDA in order to adjust the final payment for all the expenses that they incurred due to this contract; after this has been finished their first and final payment will be issued, and the contract will be officially closed out.
- According to 65<sup>th</sup> CES, the tank fill test for Tank 1635 will take a minimum of 21 days and its duration is dependent upon the chosen tank fill rate.
- Fuel to fill tank 1635 will come from either Tank 1642 or 1643. The Base will then clean that tank and turn over to the contractor (end of Aug 02) to permanent repairs.
- According to the 65<sup>th</sup> CES, the other tank is still scheduled to be turned over for final repairs on or before 1 Oct 02 as stated in contract.
- The Pre-Construction Conference has been scheduled for the 21<sup>st</sup> of August 2002, at 1400 hours in the ROICC conference room.

## **AUGUST 2002:**

- Currently LANTDIV HQ is STILL holding negotiations with Andre Toste & Joao Paulino, LDA in order to adjust the final payment for all the expenses that they incurred due to this contract; after this has been finished their first and final payment will be issued, and the contract will be officially closed out.
- The JP-8 fuel was transferred from tank 1642 to the recently temporarily repaired tank 1635. The cleaning of tank 1642 is scheduled for the first week of September, after which it will be turned to the contractor to initiate the permanent repairs.
- According to the 65<sup>th</sup> CES, tank 1643 is still scheduled to be turned over for final repairs on or before 01 Oct 02 as stated in the contract.
- The Pre-Construction Conference was held on the 21<sup>st</sup> of August 2002, at 1400 hours in the ROICC conference room. Among the attendees were SMSgt. Barkema and MSgt. Rommel from POL, MSgt. Shaffer, SSgt. Nelms and SSgt. Jaynes from LFM, Mrs. Susan Bond and Mr. Carlos Novo from Seth Lda (contractor), Mr. Borges and ENS Rico from the ROICC office.
- The submittal process is currently on progress
- An RFP has been issued to the contractor in order to change from air cooled rectifiers for the cathodic protection to oil cooled, change from galvanized rigid conduits and boxes to rigid PVC coated ones, both due to high levels of corrosion in the island, and some additional small necessary changes associated with the items mentioned before.

### **SEPTEMBER 2002:**

- Currently LANTDIV HQ is STILL holding negotiations with Andre Toste & Joao Paulino, LDA in order to adjust the final payment for all the expenses that they incurred due to this contract; after this has been finished their first and final payment will be issued, and the contract will be officially closed out.
- The JP-8 fuel was transferred from tank 1642 to the recently temporarily repaired tank 1635. The cleaning of tank 1642 has been concluded and all the sludge from the tank has been removed, the tank was turned over to the contractor on September 30, 2002 to start the permanent repairs in it.
- The removal of the flooring pan seal on tank 1642 has been started.
- During the Pre-Construction conference it was discussed that there might be a possible delay on the turn over of tank 1643 to the contractor for final repairs. In a meeting with MSgt. Rommel from POL, it was confirmed by him that it would be very difficult to meet the timeline established before. The ROICC office informed him that tank 1643 can be delivered as late as 15 November 2002 without impacting the progress of the contract, since the contractor will start working in tank 1642 first, and will require 6 weeks to complete the first portion of work before mobilizing to the next tank.
- The submittal process is currently on progress.
- The contractor, Seth LDA, already started mobilizing to the site.

### **OCTOBER 2002:**

- Work already started on tank 1642.
- The removal of the flooring pan seal on tank 1642 has been completed.
- Two opening on the side of the tank have been made; these openings will be used to access the tank in order to get materials and equipment in and out of the tank, as well as safe access to personnel and ventilation.
- The office and storage trailers have been completed at the site.
- The contractor already started to place temporary support columns for the tank roof.

- After the temporary supports for the tank roof have been completed, the contractor will continue with the removal of the bottom of the tank
- The contractor will also start the temporary support columns for the floating pan, after completing the temporary supports for the tank roof.
- When the sump area at the center of the tank was removed, a considerable amount of underground water started to come out; the water could not be simply drained out. SSgt. Sean Nelms from the 65<sup>th</sup> CES LFM contacted Capt. Carter from the 65<sup>th</sup> CES Environmental office in order to find a solution. Capt Carter by suggestion from SSgt Nelms agreed to pump the water out into the Oil/Water separator as a precaution. The water does not have any sheen or smell.
- So far, the soil underneath the tank does not have any smell or apparent content of fuel.
- In order to avoid problems with corrosion on different elements for the Cathodic protection itself, this office placed and RFP to change the air cooled rectifiers for oil cooled rectifiers, as well as change the conduit for the electrical connections from galvanized to PVC coated piping.

### **NOVEMBER 2002:**

- The removal of the bottom plates has been completed on tank 1642. All the roof and floating pan columns are temporarily supported.
- Sand removal from the tank 1642 bottom has been started.
- Work already started on tank 1643.
- The removal of the flooring pan seal on tank 1643 has been completed.
- Two opening on the side of the tank have been made; these openings will be used to access the tank in order to get materials and equipment in and out of the tank, as well as safe access to personnel and ventilation.
- The contractor already started to place temporary support columns for the tank 1643 roof.
- After the temporary supports for the tank roof have been completed, the contractor will continue with the removal of the bottom of the tank
- The contractor will also start the temporary support columns for the floating pan, after completing the temporary supports for the tank roof.
- When the sump area at the center of the tank 1643 was removed, a much lesser amount of underground water came out in comparison to tank 1642; like in tank 1642 it was agreed to pump the water out into the Oil/Water separator as a precaution. The water does not have any sheen or smell.
- So far, the soil underneath the tank does not have any smell or apparent content of fuel on either one of the tanks bottom.
- The ROICC office received from the contractor their proposal (for the RFP) to change the air-cooled rectifiers for oil-cooled rectifiers, as well as change the conduit for the electrical connections from galvanized to PVC coated piping. The price and quantities varied substantially from the ones projected on the Government Estimate; a field measure was needed in order to determine the exact quantities for of work. This office obtained the correct quantities and carried out the necessary negotiations with the contractor. A modification for these items is currently being issued.

### **DECEMBER 2002:**

- The removal of the bottom plates has been completed on tank 1642. All the roof and floating pan columns are temporarily supported.
- Sand removal from the tank 1642 bottom has been completed.
- The excavation for the placement of the Telltale pipe has been started inside tank 1642.
- Work already started on tank 1643.
- Two opening on the side of the tank have been made; these openings will be used to access the tank in order to get materials and equipment in and out of the tank, as well as safe access to personnel and ventilation.
- The contractor already finished the placement of temporary support columns for the tank 1643 roof.
- The contractor has started the temporary support for the columns of the floating pan. After all the temporary supports have been completed, the contractor will continue with the removal of the bottom of the tank.
- So far, the soil underneath the tank does not have any smell or apparent content of fuel on either one of the tanks bottom.
- The A&E proposed to change from stainless steel to PVC the portion of the telltale pipe from the tank to the dike wall, and to keep the rest of the length in stainless steel.
- The ROICC office is currently working on a contract modification in order to provide a safety railing at certain areas around the tanks, at the dike walls.

### **JANUARY 2003:**

- The removal of the bottom plates has been completed on tank 1642. All the roof and floating pan columns are temporarily supported.
- Sand removal from the tank 1642 bottom has been completed. All the demolition and removal on tank 1642 have been completed.
- The installation of the Geotextile has been started. Currently this item is 95% completed.
- The excavation for the placement of the Telltale pipe has been completed inside tank 1642.
- The installation of the sump inside tank 1642 has been started. The contractor submitted an RFI regarding the length of the sump extension, which has already been resolved by the A&E.
- Two opening on the side of the tank have been made; these openings will be used to access the tank in order to get materials and equipment in and out of the tank, as well as safe access to personnel and ventilation.
- The contractor already finished the placement of temporary support for the roof and the floating pan columns for tank 1643.
- The removal of the bottom of the tank plates has been started. Currently the removal of the tank bottom plated is 65% completed.
- So far, the soil underneath the tank does not have any smell or apparent content of fuel on either one of the tanks bottom.
- As proposed by the A&E the ROICC office plans to modify the contract in order to change from stainless steel to PVC the portion of the telltale pipe from the tank to the dike wall, and to keep the rest of the length in stainless steel. Currently the A&E is generating all the necessary data to issue the RFP to the contractor.
- The ROICC office is currently working on a contract modification in order to provide a safety railing at certain areas around the tanks, at the dike walls. Due to the cost involved, this item might have to be included on the future tank repairs projects.

### **FEBRUARY 2003:**

Tank 1642:

- Geotextile placement is complete.
- Flexible Membrane Liner is 87% complete.
- Installation of Telltale pipe is complete inside the tank.

Tank 1643:

- Floor tank plates 100% removed.
- Sand cushion 65% removed, progress is continuing.