

FEB 11 1992



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

*Karen E. Duff*  
EXECUTIVE SECRETARY

January 24, 1992

(Finance & Insurance Committee--Action)  
Board of Directors (Engineering & Operations Committee--Information)

General Manager

Revision No. 4 to Appropriation No. 546 for Removal or Replacement of Underground Storage Tanks to Increase Funding from \$3,200,000 to \$3,800,000 for all Estimated Costs for Completion of Phase III

Report

On February 9, 1988, your Board authorized the General Manager to advertise for bids to remove or replace underground storage tanks in three phases and approved Appropriation No. 546 to finance all costs incurred prior to award of construction contracts for the project. Subsequently, Revisions Nos. 1, 2, and 3 to Appropriation No. 546 were approved by your Board to provide funds for removal and installation of tanks for a total amount of \$3,200,000.

On July 10, 1990, your Board awarded a contract for removing and replacing underground tanks for Phase III, under Specifications No. 1194, to Long and Company Environmental in the amount of \$634,999, which was included in the \$3,200,000 authorized under Revision No. 3 to Appropriation No. 546.

The soil sampling and decontamination provisions of Specifications No. 1194 require that decontamination procedures be employed when contaminated soil is encountered at any existing tank site. The specifications further provide that additional soil sampling necessary to define the extent of contamination be paid for as extra work and that the decontamination work will be paid at the stipulated unit prices listed on the Bidding Sheet. Due to the extent of contamination encountered at several tank sites, additional sampling and decontamination are required. As a result of the additional work, an increase in Appropriation No. 546 is required to pay for the additional sampling, decontamination and related work. A \$600,000 increase in Appropriation No. 546 is required for completion of Phase III.

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A breakdown of the increase in appropriation is attached. All work under Phase I and Phase II has been completed.

The project is categorically exempt from the provisions of the California Environmental Quality Act because it consists of the replacement of existing utility systems with no expansion of use.

Board Committee Assignments

This letter is referred to:

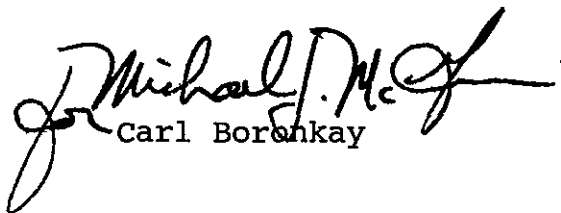
The Finance and Insurance Committee for action because of its jurisdiction over appropriations pursuant to Administrative Code Section 2441(d).

The Engineering and Operations Committee for information because of its jurisdiction over the performance of construction programs pursuant to Administrative Code Section 2431(b).

Recommendation

**FINANCE AND INSURANCE COMMITTEE FOR ACTION.**

It is recommended that your Board authorize an increase of \$600,000 in Appropriation No. 546 to a total of \$3,800,000 to finance remaining costs of construction of Phase III for removing and replacing underground tanks. The increase in funds will come from the 1991 Revenue Bond Construction Fund.

  
Carl Boronkay

FLN/atr  
(boardapr\546ba)  
Attachment

Attachment A

**FISCAL STATEMENT**

The total cost breakdowns for Revisions Nos. 3 and 4 to Appropriation No. 546 are shown below:

	<u>Rev. No. 3</u>	<u>Rev. No. 2</u>
Pilot Program	\$ 175,000	\$ 175,000
Labor		
Final design and preparation of specifications	350,000	350,000
Post Design	40,000	40,000
Contract Administration, Inspection and Laboratories	200,000	255,000
Installation/Removal Work by District Forces	20,000	20,000
Materials and Supplies	5,000	5,000
Incidental Expenses	50,000	50,000
Professional Services	30,000	70,000
Operating Equipment	15,000	70,000
Administrative Overhead	295,000	330,000
Contracts	1,697,454	1,697,454
Soil Decontamination Work		
Phase I	\$ 3,631	
Phase II	31,318	
Phase III	<u>665,051</u>	
Subtotal	\$ 700,000	700,000
Contingencies	<u>322,546</u>	<u>37,546</u>
TOTAL	<u>\$ 3,200,000</u>	<u>\$ 3,800,000</u>
Estimated Funds Required:		
Initial		\$700,000
Revision No. 1		200,000
Revision No. 2		850,000
Revision No. 3		1,450,000
Revision No. 4		<u>600,000</u>
TOTAL		<u>\$ 3,800,000</u>
Class: One--The project is required for compliance with governmental requirements.		
Projected Expenditures of Funds:		
Through 1990/91		\$2,600,000
1991/92		<u>1,200,000</u>
TOTAL		<u>\$3,800,000</u>