



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-7

March 2, 1993

To: Board of Directors (Engineering and Operations Committee--Information)
(Legal and Claims Committee--Information)

From: General Manager

Subject: Report on Claims Submitted by the Contractor for the Washwater Reclamation Plant Expansion for the Robert B. Diemer Filtration Plant

Report

The contract work for the Washwater Reclamation Plant Expansion for the Robert B. Diemer Filtration Plant, under Specifications No. 1178, as amended, consisted of construction of a 25-million-gallon-per-day washwater reclamation facility and appurtenant work. The design for the project was performed by Engineering Science under a consultant agreement and was completed in February 1990. A \$6.7 million contract for this work was awarded to Kaweah Construction Company in July 1990. The work was completed and accepted by Metropolitan in September 1992.

At the time the contract was awarded, the design location of the 36-inch-diameter reclaimed washwater line was such that a portion of the line was located in an embankment which was under the jurisdiction of the California Division of Safety of Dams (DSOD). Although DSOD had not granted formal approval of the location of the line prior to award of the contract, it was anticipated that such would be granted prior to issuance of the Notice to Proceed and prior to commencement of actual installation of the line. However, approval by DSOD was not granted as anticipated. As a result, in September 1990, Metropolitan directed the contractor to suspend work on the line until a realignment could be designed. An amendment to the design consultant's agreement was executed to provide for design of the realignment of the line. In May 1991, new and revised contract drawings were issued to the contractor which not only relocated the 36-inch-diameter washwater return pipeline but also added chemical spill containment features and a 24-inch-diameter balancing line between the two existing washwater tanks. The need for the chemical spill containment facilities was identified by a consultant study authorized in February 1990 stemming from events surrounding a chemical spill at the existing plant in

October 1989. Since design of the washwater reclamation facility had been completed, it was not possible to incorporate containment facilities in the original design without substantial delay to the project. Authority to issue a cost-plus extra work order not to exceed \$1,800,000 for this work was granted by your Board in January 1992.

At the time the design of the reclamation plant expansion was nearing completion, Metropolitan had not yet finalized its decision whether to expand the existing chemical tank farm to serve the increased capacity of the Diemer plant from a centralized facility or to provide a second and separate chemical tank farm. It was ultimately decided that a second chemical tank farm located adjacent to the new reclamation plant should be provided. It was further decided that the design work should be done by Metropolitan rather than add it to the reclamation plant design performed by Engineering Science to avoid delay to construction of the reclamation plant. It was also anticipated at that time that construction would either be done by Metropolitan forces or by separate contract. Design of the new chemical storage facilities was completed in November 1990. Because of other commitments of Metropolitan's forces and the inability to segregate the storage facilities from that of the reclamation plant sufficiently to do it by separate contract, the decision was made to add it to the reclamation plant contract. In June 1991, your Board authorized the issuance of an extra work order to the contract in the amount of \$307,328 for the construction of a new Westside Chemical Tank Farm to the washwater reclamation facilities contract.

Authorization to issue additional extra work orders in an amount not exceeding \$350,000 was granted by your Board in April 1992 for several miscellaneous changes to the work ordered by Metropolitan. At that time, the contractor had not submitted claims for these changes, although he had indicated his intention to do so.

Subsequent to completion of the work, the contractor submitted over 70 separate claims for various alleged changes to the work, totalling approximately \$850,000. In addition, a request for equitable adjustment has been received in the amount of \$2.3 million for alleged impacts, delays, and loss of productivity caused by the effect of all directed changes and additions to the contract work.

Staff is currently reviewing the contractor's claims, but has not yet completed its review sufficiently to make

recommendations as to the amount to which the contractor may be entitled. Staff feels that many of the contractor's claims have some merit and has entered into negotiations with the contractor on the individual issues involved. When staff has completed its review, recommendations for action by your Board will be made.

Board Committee Assignments

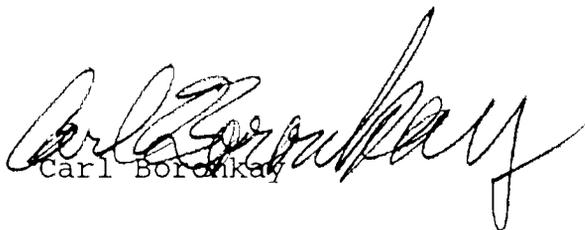
This letter is referred for information to:

The Engineering and Operations Committee because of its authority to study, advise, and make recommendations with regard to (1) the performance of construction programs and work; and (2) construction claims, pursuant to Administrative Code Sections 2431(b) and (f).

The Legal and Claims Committee because of its authority to study, advise, and make recommendations with regard to litigation and claims brought against the District, pursuant to Administrative Code Section 2461(a).

Recommendation

No action is required of your Board at this time. Upon completion of staff's review of the contractor's claim, recommendations will be made for an appropriate course of action.



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