

AS CORRECTED BY
APPROVED LETTER DATED 4-2-96
41546
By the Board of Directors of
The Metropolitan Water District
of Southern California
at its meeting held

APR - 9 1996

8-3



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

David Chen
for EXECUTIVE SECRETARY

March 26, 1996

To: Board of Directors (Finance and Insurance Committee--Action)
(Engineering and Operations Committee--Action)

From: General Manager

Willy Brown
Gary M. Snyder

Submitted by: Gary M. Snyder
Chief Engineer

Subject: Authorization No. 27 to Increase Appropriation No. 560 by \$3,000,000 from \$1,205,223,000 to \$1,208,223,000 to Expend Budgeted Funds for Fixed Cone Valves and Spherical Valve Procurement for the Eastside Reservoir Project.

RECOMMENDATION(S)

It is recommended that your Board authorize an increase of \$3,000,000 from \$1,205,223,000 to a total of \$1,208,223,000 in Appropriation No. 560 from the 1995 Revenue Bond Construction Fund, to finance budgeted costs for procuring two fixed cone valves and one spherical valve for the Eastside Reservoir Project.

It is also recommended that a procurement contract for two fixed cone valves and one spherical valve in the amount \$2,198,300 be awarded to Kvaerner Hydro Power, Inc., in accordance with Specifications No. 1347, as amended, and that conditioned upon execution of the contract, all other bids be rejected.

EXECUTIVE SUMMARY

The Fixed Cone Valves and Spherical Valve Procurement is part of the Eastside Reservoir Project. The budget that was allocated for final design of the valves is \$82,000. Final design has been completed and \$104,443 has been expended--the variance of \$22,443 was covered by contingency. This letter recommends increasing the appropriation to cover all remaining costs for the Fixed Cone Valves and Spherical Valve Procurement and to award the construction contract.

BRIEF DESCRIPTION

Two bids have been received and opened under Specifications No. 1347, as amended, for procurement of the valves. The bids are shown on the attached abstract of bids for the valves (see Attachment B). The low bid from Kvaerner Hydro Power, Inc., in the amount of \$2,198,300, complies with the requirements of the specifications, is \$861,000 below the next lowest bid, and is \$1,700 below the Engineer's estimate.

A \$3,000,000 increase in Appropriation No. 560 is required to finance the budgeted costs of the Fixed Cone Valves and Spherical Valve Procurement. The total estimated cost of the Eastside Reservoir Project (ESRP) is \$1,972,100,000 (see Attachment A).

Contract Type <input checked="" type="checkbox"/> New <input type="checkbox"/> Amended	Funding <input checked="" type="checkbox"/> Capital-Appropriation No. 560 <input type="checkbox"/> O & M	Type of Competition <input checked="" type="checkbox"/> Competitive Bidding Specification No. 1347
Contract Form <input type="checkbox"/> Lease <input type="checkbox"/> Professional Services <input checked="" type="checkbox"/> Construction	Budget Status <input checked="" type="checkbox"/> FY 95-96 Amount \$226,490,400 <input checked="" type="checkbox"/> Out-Year Amount \$1,273,592,900 <input type="checkbox"/> Non-Budget Amount	<input type="checkbox"/> Negotiated Contract <input type="checkbox"/> Sole Source

PURPOSE/BACKGROUND

The fixed cone valves and spherical valve are part of the P-1 Pumping Plant Facility which is a feature of the Eastside Reservoir Project (ESRP). The two 78-inch fixed cone valves will be used to control reservoir releases up to 4,500 cfs. The one 144-inch spherical valve will isolate the Eastside Pipeline and Tunnel Facilities from the P-1 Pumping Plant. The fixed cone valves and spherical valve are one of several equipment procurement contracts for the ESRP.

ACTION(S) AND MILESTONE(S)

Final design for the P-1 Pumping Plant will be completed by June 1996. Construction is anticipated to begin in October 1996. The valves are expected to be delivered by July 1997.

MBE/WBE

The Business Outreach Office, the Legal Department, and the Engineering Division reviewed the scope of the work associated with this solicitation. Subsequent to that review, it was determined that there existed no subcontractable work for the purposes of establishing MBE/WBE goals. However, the specifications did include Metropolitan's policy statement encouraging the use of minority- and women-owned firms.

CEQA COMPLIANCE/ENVIRONMENTAL DOCUMENTATION

All California Environmental Quality Act (CEQA) requirements have been satisfied for the proposed action. In October 1991, your Board certified the Final Environmental Impact Report for ESRP. This action satisfied the provisions of CEQA, and no further environmental documentation or reviews are necessary for your Board to take action on this recommendation.

BODH220.DOC

FISCAL STATEMENT
Eastside Reservoir and Related Facilities
(Program No.5-5600-11)

Project Summary:

Total Project

	<u>Current Budget</u>	<u>Total Appropriation</u>
Planning	15,000,000	15,000,000
Land*	350,000,000	334,000,000
Mitigation*	32,681,000	32,681,000
Design	135,148,000	123,973,000
Construction	1,117,926,608	639,560,221
Recreation	33,000,000	
Contingency	288,344,392	63,008,779
TOTAL	\$ 1,972,100,000	\$ 1,208,223,000

* Land costs include \$28.3 million for land purchases at the Santa Rosa Plateau and Shipley Reserve which when added to non-real estate mitigation costs of \$32.7 million results in a total mitigation value of \$61million.

The total cost breakdowns for Authorization Nos. 26 and 27 to Appropriation No, 560 are shown below:

	<u>AUTHORIZATION NO. 26</u>	<u>AUTHORIZATION NO. 27</u>
Construction	508,004,874	508,004,874
Labor:		
Preliminary Engineering, Final Engineering, and Preparation of Specifications	26,878,000	26,878,000
Post Design	858,000	858,000
Contract Administration Inspection and Survey	18,658,000	18,797,000
Labor Subtotal	46,394,000	46,533,000
Specification No. 1347 (Including Tax)		2,368,668
Materials and Supplies	38,427,000	38,427,000
Right of Way Acquisition	303,500,000	303,500,000
Incidental Expenses	17,467,000	17,487,000
Professional Services	207,835,000	207,835,000
Operating Equipment Use	1,480,000	1,480,000
Administrative Overhead	23,122,000	23,199,000
Contingencies	62,613,447	63,008,779
Reimbursable from Agencies	-3,620,321	-3,620,321
TOTAL	\$1,205,223,000	\$1,208,223,000

Fiscal Statement
 (Program No. 5-5600-11)
Estimated Funds Required:

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Attachment A

REVISION	DATE	AMOUNT
Revision No.1	November 1, 1989	5,000,000
Revision No.2	May 2, 1990	45,000,000
Revision No.3	November 27, 1990	20,000,000
Revision No.4	February 19, 1991	15,600,000
Revision No.5	March 26, 1991	12,000,000
Revision No.6	September 24, 1991	189,100,000
Revision No.7	January 22, 1993	12,300,000
Revision No.8	September 17, 1993	112,000,000
Revision No.9	October 21, 1993	1,670,000
Revision No.10	June 28, 1994	987,000
Revision No.11	July 18, 1994	952,000
Revision No.12	July 25, 1994	19,621,000
Revision No.13	November 29, 1994	94,100,000
Revision No.14	December 23, 1994	56,758,000
Revision No.15	December 23, 1994	22,331,000
Authorization No.16	February 7, 1995	59,500,000
Authorization No.17	February 7, 1995	23,319,000
Authorization No.18	May 8, 1995	9,977,000
Authorization No.19	November 14, 1995	540,000
Authorization No.20	December 26, 1995	4,500,000
Authorization No.21	December 26, 1995	440,945,000
Authorization No.22	December 26, 1995	29,400,000
Authorization No.23	December 26, 1995	15,250,000
Authorization No.24	January 30, 1996	2,160,000
Authorization No.25	February 27, 1996	390,000
Authorization No.26	February 27, 1996	3,523,000
Authorization No.27	March 26, 1996	3,000,000
Remaining		763,877,000
TOTAL		\$ 1,972,100,000

Source of Funds:

1995 Revenue Bond Construction Fund

Class One:

Projects directly related to delivery of water.

Fiscal Statement
(Program No. 5-5600-11)

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Attachment A

Projected Expenditures of Funds:

Through	Fiscal Year 1992/93	\$247,560,800
	Fiscal Year 1993/94	\$110,128,200
	Fiscal Year 1994/95	\$96,920,800
	Fiscal Year 1995/96	\$256,091,500
	Fiscal Year 1996/97	\$279,358,700
	Fiscal Year 1997/98	\$696,331,800
	Fiscal Year 1998/99	\$258,140,700
	Fiscal Year 1999/2000	\$25,784,500
	Fiscal Year 2000/2001	\$1,783,000
	TOTAL.....	<u>\$1,972,100,000</u>

The Metropolitan Water District of Southern California

**ABSTRACT OF BIDS RECEIVED FEBRUARY 28, 1996 AT 2:00 P.M.
Specifications No. 1347, as Amended**

Fixed Cone Valves and Spherical Valve for the Eastside Reservoir Project

This project consists of furnishing the following equipment and services:

Item 1: Two 78-inch fixed cone valves, complete with electric motor-operated actuators, tools, spare parts, and appurtenances

Item 2: One 144-inch spherical valve, complete with oil hydraulic-operated actuator, oil hydraulic power package, tools, spare parts, and appurtenances

Item 3: Services of an erecting/start-up engineer

Engineer's Estimate: \$2.2 million

Bidder & Location	Item 1	Item 2	Total 1 & 2	Engineer Services	Equalizing Factor for Inspection	Total Evaluated Bid Amount
Kvaerner Hydro Power, Inc. San Francisco, California	\$481,000.00	\$1,612,000.00	\$2,093,000.00	\$86,400.00	\$18,900.00	\$2,198,300.00
PREUSSAG NOELL GmbH Wurzburg, Germany	\$550,000.00	\$2,440,000.00	\$2,990,000.00	\$53,200.00	\$16,400.00	\$3,059,600.00