



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 24, 1996

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

From: General Manager Edward S. Meese III

Submitted by: Gary M. Snyder
 Chief Engineer Gary M. Snyder

Subject: Authorization No. 34 to Increase Appropriation No. 15123 by \$2,876,000 from \$1,554,613,000 to \$1,557,489,000 to Expend Budgeted Funds to Amend Agreement No. 3759 with Parsons Infrastructure and Technology Group, Inc., for Program Management Services for the Eastside Reservoir Project

RECOMMENDATIONS

It is recommended that the General Manager be authorized to amend Agreement No. 3759 with Parsons Infrastructure and Technology Group, Inc., in a form approved by the General Counsel, to increase the maximum amount payable from \$11,450,000 to \$14,326,000, including expenses, to continue ongoing Program Management Services for the Eastside Reservoir Project, and to extend the period of agreement to September 1998.

It is recommended that your Board authorize an increase of \$2,876,000 in the Eastside Reservoir Project (ESRP) Appropriation No. 15123 from \$1,554,613,000 to \$1,557,489,000, utilizing funds from the 1995 Revenue Bond Construction Fund, to finance budgeted costs for program management services for the Eastside Reservoir Project.

EXECUTIVE SUMMARY

Approval of these recommendations will authorize an amendment to the agreement with Parsons Infrastructure and Technology Group, Inc., in the amount of \$2,876,000, increasing the maximum amount payable from \$11,450,000 to \$14,326,000, to provide program management services, previously planned and budgeted on the Eastside Reservoir Project (ESRP); and authorize an increase in appropriation of \$2,876,000 to a total ESRP appropriation of \$1,557,489,000. This is a time and materials agreement.

BRIEF DESCRIPTION

In October 1992, your Board authorized the General Manager to enter into an agreement with The Ralph M. Parsons Company (Parsons) (now Parsons Infrastructure and Technology Group, Inc.), to provide Program Management Services for the ESRP. The maximum amount payable under this agreement was \$6,000,000. In April 1994, an amendment was approved to continue these services through completion of final design in November 1995. The maximum amount payable under the amended agreement was increased to \$8,950,000.

In October 1995, a second amendment was approved to extend these services, which increased the maximum amount payable to \$11,450,000.

It is proposed to amend this agreement a third time based on reevaluation of the level of service required for continuing work through September 1998. This work also includes extensive interface with the recreation program. The maximum amount payable under the third amendment will be \$14,326,000.

A \$2,876,000 increase in Appropriation No. 15123, formerly Appropriation No. 560, is therefore required to finance the increase in cost for providing additional program management services. The total estimated cost of the Eastside Reservoir Project remains at \$1,972,100,000 (see Attachment A).

<p>Agreement Status</p> <p><input type="checkbox"/> New</p> <p><input checked="" type="checkbox"/> Amended</p> <p>Agreement Form</p> <p><input type="checkbox"/> Lease</p> <p><input checked="" type="checkbox"/> Professional Services</p> <p><input type="checkbox"/> Construction</p>	<p>Funding</p> <p><input checked="" type="checkbox"/> Capital-Appropriation No. 15123</p> <p><input type="checkbox"/> O & M</p> <p>Budget Status</p> <p><input checked="" type="checkbox"/> FY 96/97 Amount \$232,195,000</p> <p><input checked="" type="checkbox"/> Out-Year Amount \$1,087,026,200</p> <p><input type="checkbox"/> Non-Budget Amount</p>	<p>Type of Competition</p> <p><input checked="" type="checkbox"/> Amendment to Agreement No. 3759</p> <p><input type="checkbox"/> Negotiated Contract</p> <p><input type="checkbox"/> Sole Source</p> <p>Type of Agreement</p> <p><input checked="" type="checkbox"/> Time and Materials</p> <p><input type="checkbox"/> Fixed Price</p>
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PURPOSE/BACKGROUND

Parsons' personnel have comprised the majority of Metropolitan's Program Management team for the past four years. RFP-044 for Program Management Services, from which Parsons was selected, noted that "limited project management services, to support coordination of budgetary, technical review, design and public coordination issues will continue

through completion of construction.” Consistent with the RFP, this amendment extends program management services through September 1998.

ACTION(S) AND MILESTONE(S)

Under this amendment, the consultant will retain a core staff on the Program Management team through September 1998.

MBE/WBE

Although no MBE or WBE goals were required in 1992 when the original agreement was signed, the consultant has voluntarily achieved a cumulative rate of 6.7 percent MBE and 6.5 percent WBE participation. This level of MBE/WBE participation is expected to continue.

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.

FINANCIAL 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*	360,000,000	334,000,000
Mitigation*	32,681,000	32,681,000
Design	143,158,000	126,973,000
Construction	1,181,260,000	954,240,341
Recreation	58,000,000	
Contingency	182,001,000	94,594,659
TOTAL	\$ 1,972,100,000	\$ 1,557,489,000

* 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 \$61 million.

The total cost breakdowns for Authorization Nos. 33 and 34 to Appropriation No. 15123 are shown below:

	<u>AUTHORIZATION NO. 33</u>	<u>AUTHORIZATION NO. 34</u>
Labor:		
Preliminary Engineering, Final Engineering, and Preparation of Specifications	\$ 26,878,000	\$ 26,878,000
Construction Management Support, Contract Administration, and Inspection and Survey	26,897,000	26,897,000
Labor Subtotal	<u>53,775,000</u>	<u>53,775,000</u>
Materials and Supplies	49,902,698	49,902,698
Right of Way Acquisition	303,500,000	303,500,000
Incidental Expenses	17,537,000	17,537,000
Professional Services	213,625,000	216,501,000
Operating Equipment Use	1,480,000	1,480,000
Administrative Overhead	27,200,000	27,200,000
Construction	796,618,964	796,618,964
Contingencies	94,594,659	94,594,659
Reimbursable from Agencies	-3,620,321	-3,620,321
TOTAL	\$ 1,554,613,000	\$ 1,557,489,000

Estimated Funds Required:

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
Authorization No.28	April 30, 1996	790,000
Authorization No.29	April 30, 1996	7,600,000
Authorization No.30	August 6, 1996	3,600,000
Authorization No.31	August 6, 1996	3,000,000
Authorization No.32	August 27, 1996	16,400,000
Authorization No.33	August 27, 1996	315,000,000
Authorization No.34	September 24, 1996	2,876,000
Remaining		414,611,000
TOTAL		\$ 1,972,100,000

Source of Funds:

1995 Revenue Bond Construction Fund

Class One:

Projects directly related to delivery of water.

Projected Expenditures of Funds:

Through Fiscal Year 1995/96	\$ 652,878,900
Fiscal Year 1996/97	232,195,000
Fiscal Year 1997/98	553,789,000
Fiscal Year 1998/99	250,596,100
Fiscal Year 1999/2000	20,307,800
Contingency	<u>262,333,200</u>
TOTAL	\$ 1,972,100,000