



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA



8-4

March 18, 1997

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

From: General Manager

Submitted by: Gary M. Snyder
Chief Engineer

Subject: Appropriate \$274,000 to Finance all Estimated Remaining Costs for the
Construction of the Operations Control Center at the Eagle Rock Facility

Reference: Appropriation No. 15130/Authorization No. 3

RECOMMENDATION

It is recommended that funding for Appropriation No. 15130 be increased from \$3,561,000 to \$ 3,835,000, an increase of \$274,000, from the 1996 Revenue Bond Construction Fund, to finance all remaining costs for the construction of the Operations Control Center at the Eagle Rock Facility.

EXECUTIVE SUMMARY

This increase is to finance additional remaining costs of construction and the installation of communication equipment for the Operations Control Center at the Eagle Rock Facility. Unforeseen conditions caused additional labor charges, extra work and time extensions to be charged to the project. The entire project is anticipated to be completed by mid-1997.

CAPITAL FUNDING REQUEST

Project Name: Eagle Rock Operations Control Center		
Appropriation No.: 15130	Funding Request No.: 3	Amount: \$3,835,000
Source of Funds: 1996 Revenue Bond Construction Fund		
FY 96-97 Budget: No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> * @ \$662,800 *see Attachment A		Capital Program: 5-5670-43 Page No. Reference: 58
<u>Project Justification and Type:</u> (check all applicable)		
<input checked="" type="checkbox"/> Meet Water Demands	<input checked="" type="checkbox"/> New Facility	<input type="checkbox"/> Replacement
<input type="checkbox"/> Mandated By Law	<input type="checkbox"/> Improvement	<input checked="" type="checkbox"/> Expansion
<input checked="" type="checkbox"/> Asset Protection/Risk Mgt.		
<input type="checkbox"/> Cost Avoidance		
<input type="checkbox"/> Other _____		

DETAILED REPORT

In May 1995, your Board approved Authorization No. 2 to Appropriation No. 15130 (formerly Appropriation No. 567) in the amount of \$3,561,000 to finance all estimated costs for the construction of the Operations Control Center (OCC) at the Eagle Rock Facility and awarded Contract No. 1445 in the amount of \$1,523,289 to Cavecche Engineering and Construction Co. Inc., for that construction.

The contract work started in June 1995 and was originally anticipated to be completed in February 1996. However, due to extra work and time extensions negotiated with the contractor, the contract work was not accepted by Metropolitan until August 1996.

The project was delayed due to unforeseen circumstances including the shortage of masonry units for the building walls, and the installation of a new water line as required by the City of Pasadena for the fire sprinkler system. This resulted in extra work orders totaling \$116,837 (7.67 percent of the original contract amount), 118 work days of time extensions, and additional labor charges for field inspection and contract administration. Following the acceptance of the facility from the contractor and as a part of the original budget, a voice and data communications system was required to be purchased and installed for the OCC. District labor had constructed new trenches and duct banks for the fiber optics system, and they are currently installing the telecommunication and computer network systems inside the building.

Due to the unexpected lengthening of the construction period, additional labor charges have exceeded the contingency budgeted for the project. It is therefore recommended that the appropriation be increased to allow the OCC to be completed and become fully operational.

ALTERNATIVES TO PROPOSED ACTION

The alternative is not to increase the requested change in this appropriation. However, there are pending claims by the contractor which could result in legal fees and payments greater than the requested increase in the appropriation.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

This project is categorically exempt under Section 15302 (c) of the California Environmental Quality Act in that it involves additional funding for the approved demolition of a Metropolitan-owned single-family residence ancillary to the existing OCC, and the replacement of that residence with a new OCC.

SIL:aj/rev5
(Eaglerck.doc)

FINANCIAL STATEMENT

(Program No. 5-5670-43)

The breakdown of the total estimated cost for Authorization Nos. 2 and 3 for design and construction of the Operations Control Center at the Eagle Rock Facility is as follows:

	<u>Authorization No. 2</u>	<u>Authorization No. 3</u>
Construction Specifications No. 1275A Extra Work	\$ 1,523,289	\$ 1,523,289
		<u>116,837</u>
		\$ 1,640,126
New Water Line Construction		<u>35,745</u>
	Total Contract	\$ 1,675,871
 Labor:		
Study & Preliminary Design	\$ 141,800	\$ 141,800
Final Design Review	68,200	68,200
Contract Administration	38,000	109,000
Field Inspection	121,000	301,000
Construction Support/As-Builts	73,000	84,000
District Forces Installation of Communications System	<u>0</u>	<u>220,000</u>
Total Labor	\$ 442,000	\$ 924,000
 Materials and Supplies	 \$ 449,000	 \$ 240,000
Incidental Expenses	16,000	90,000
Professional/Tech. Services	350,000	422,000
Equipment Use/Rental	14,000	21,000
Administrative Overhead	214,000	460,000
Contingencies	<u>552,711</u>	<u>2,129</u>
 Project Total	 <u>\$ 3,561,000</u>	 <u>\$ 3,835,000</u>

Projected Expenditure of Funds:

Through Fiscal Year 1995/96	\$ 2,812,000
Fiscal Year 1996/97	1,020,871
Contingency	2,129
Total	<u>\$ 3,835,000</u>

Source of Funds: 1996 Revenue Bond Construction Fund

Capital Program for Fiscal Year 1996/97 (Program No. 5-5670-43)

Total Program Estimate	\$ 3,561,000
Program Estimate For Fiscal Year 1996/97	\$ 662,800

Class: Three-- Program is not directly related to delivery of water but demonstrate that economic savings outweigh program costs.

