



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-11

December 9, 1997

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

From: *for* General Manager

Submitted by: Chief Engineer

Subject: Appropriate \$5,200,000 and Delegate Authority to Award a Contract for Fabricated Steel Pipe for the Inland Feeder Program.

Reference: Appropriation No. 15122 / Authorization No. 19

Edward S. Meas
Gary M. Snyder

RECOMMENDATION(S)

To provide fabricated-steel pipe for a pipeline segment of the Arrowhead West Tunnel of the Inland Feeder Program, it is recommended that your Board:

1. Appropriate \$5,200,000 of budgeted funds to finance costs for pipe fabrication; and
2. Delegate to the General Manager the authority to award a contract, in form approved by the General Counsel, for an amount not to exceed \$4,500,000.

EXECUTIVE SUMMARY

Metropolitan has filed an eminent domain action on the property in Waterman Canyon owned by the Campus Crusade for Christ (CCC). A trial is expected in late 1998 or early 1999. CCC is expected to claim damages due to interference with access to its property during construction activities. This property lies within the contract limits of the Arrowhead West Tunnel which is scheduled to be awarded in mid-1998. Procuring the pipe immediately will allow expedited completion of the installation adjacent to CCC and thereby minimize adverse impacts on CCC. If Metropolitan can complete the construction in the CCC area prior to trial, valuable data will be available to determine actual impacts, if any, to CCC.

Approval of these recommendations will authorize the General Manager to award a contract to the lowest responsible bidder, in form approved by General Counsel, in an amount not to exceed \$4,500,000 for the necessary pipe and associated fittings in advance of a separate contract to install the pipe; and authorize an increase of \$5,200,000 of budgeted funds in the Inland Feeder appropriation. The total estimated cost of the Inland Feeder Program remains unchanged at \$1,188,000,000.

JUSTIFICATION

Completion of construction in the CCC area prior to the trial will assist in eliminating speculative damage claims and result in a determination of compensation which is fair to both CCC and Metropolitan. Advanced procurement of the pipe will expedite the construction in this area.

ALTERNATIVE(S) TO PROPOSED ACTION

1. Do not execute advance procurement of pipe

Metropolitan could have the Arrowhead West Tunnel contractor purchase the pipe which would delay the completion of the construction in the CCC area which could, in turn, result in the eminent domain trial taking place before the impact of the construction in the CCC area is fully known. This delay would make it difficult to fairly evaluate the extent of any damages that CCC may experience.

FUNDING REQUEST

Program Name: Inland Feeder			
Source of Funds: 1996 Revenue Bond Construction Fund			
Appropriation No.: 15122	Authorization No.: 19	FY 97/98 Budget:	\$52,677,000
Requested Amount:	\$ 5,200,000	Capital Program No.:	15122-S
Total Appropriated Amount:	\$ 415,727,000	Capital Program Page No.:	E-46
Total Program Estimate:	\$1,188,000,000	Program Category:	Supply and Delivery Reliability

ACTIONS AND MILESTONES

- o Open bids for pipe fabrication in January 1998
- o Issue Notice-to-Proceed for Arrowhead West Construction in June 1998
- o Complete CCC pipeline segment in November 1998

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

All California Environmental Quality Act (CEQA) requirements have been satisfied for the proposed action. In February 1993, your Board certified the Final Environmental Impact Report

for the Program. This action satisfied the provisions of CEQA, and no further environmental documentation or reviews are necessary for your Board to take action on these recommendations.

MBE / WBE

This Business Outreach Office, Legal Department, and Engineering Division reviewed the scope of work associated with this solicitation. Subsequent to that review, it was determined that insufficient subcontractable work existed for the purpose of establishing MBE/WBE goals. However, the specifications did include Metropolitan's policy statement encouraging the use of minority- and women-owned firms.

DETAILED REPORT

The proposed Arrowhead West Tunnel spans approximately six miles from Devil Canyon to Waterman Canyon in the San Bernardino Mountains and includes approximately 3,500 feet of buried pipeline in Waterman Canyon. This pipeline passes through the property of a religious conference center known as The Campus Crusade for Christ (CCC). Negotiations for right-of-way through the CCC property have been unsuccessful with Metropolitan offering \$320,000 and CCC countering with a \$25,000,000 demand. CCC claims that it will sustain substantial revenue losses during construction due the interference with the access to their property. An eminent domain action has been filed by Metropolitan and a trial is expected to occur in late 1998 or early 1999. Metropolitan will attempt to complete construction in the CCC area as quickly as possible in order to minimize adverse impacts on CCC. If construction can be completed before trial, valuable data will be available to determine actual impacts, thereby allowing for a determination of compensation which is fair to both CCC and Metropolitan.

Construction is scheduled to begin on the Arrowhead West Tunnel in mid-1998 with priority given to the CCC area.

To complete construction in the CCC area prior to trial, it is necessary to procure the 3,500 linear feet of pipe and associated fittings in advance of awarding a contract for the Arrowhead West Tunnel. A separate specifications package for the pipe has been advertised for bids and this letter requests a delegation of authority for the General Manager to award a contract to the lowest responsible bidder, in form approved by the General Counsel.

BSB/aj:rev4
(CCPipe)

Attachment(s)

Attachment A to 8-11 (Page 1 of 2)

Financial Statement
Inland Feeder Program
(Capital Program No. 15122-S)

Program Summary:

TOTAL PROJECT

	<u>Current Budget</u>	<u>Total Appropriation</u>
Planning	\$ 8,020,000	\$ 8,020,000
Land	51,000,000	46,567,000
Mitigation	13,660,000	8,480,000
Design	75,000,000	65,828,000
Contracts/Construction	794,210,000	259,146,000
Contingency	<u>246,110,000</u>	<u>27,686,000</u>
TOTAL	<u>\$1,188,000,000</u>	<u>\$415,727,000</u>

The total cost breakdown for Authorization Nos. 18 and 19 to Appropriation No. 15122 are shown below:

	<u>Authorization No. 18</u>	<u>Authorization No. 19</u>
CONSTRUCTION CONTRACTS	\$ 170,610,000	\$ 175,110,000
LABOR:		
Study	\$ 1,510,000	\$ 1,510,000
Preliminary Engineering, Final Engineering and Preparation of Specifications	17,986,000	17,986,000
Shop Drawing Reviews, Contract Admin., Field/Fabrication Inspections, Project Mgmt.	18,630,000	18,740,000
Environmental	380,000	380,000
Right-of-Way	<u>5,318,000</u>	<u>5,318,000</u>
LABOR SUBTOTAL	\$ 43,254,000	\$ 43,364,000
Materials and Supplies	4,560,000	4,560,000
Incidental Expenses	1,976,000	1,986,000
Professional & Technical Services	79,116,000	79,116,000
Environmental Mitigation	7,900,000	7,900,000
Right-of-Way Acquisition	30,300,000	30,300,000
Operating Equipment Use	970,000	972,000
Administrative Overhead	23,860,000	23,921,000
Owner Controlled Insurance Program (OCIP)	20,795,000	20,795,000
Contingencies	<u>27,186,000</u>	<u>27,703,000</u>
TOTAL	<u>\$ 410,527,000</u>	<u>\$ 415,727,000</u>

Attachment A to 8-11 (Page 2 of 2)

Financial Statement
Inland Feeder Program
(Capital Program No. 15122-S)

Revision	Date	Amount
Revision No. 1	August 8, 1989	\$ 3,450,000
Revision No. 2	July 31, 1990	2,320,000
Revision No. 3	December 17, 1991	2,330,000
Revision No. 4	January 22, 1993	3,000,000
Revision No. 5	March 30, 1993	102,900,000
Revision No. 6	June 30, 1993	0
Authorization No. 7	August 20, 1996	2,200,000
Authorization No. 8	October 29, 1996	8,250,000
Authorization No. 9	October 31, 1996	19,710,000
Authorization No. 10	November 19, 1996	7,600,000
Authorization No. 11	December 10, 1996	115,500,000
Authorization No. 12	December 10, 1996	4,700,000
Authorization No. 13	March 18, 1997	17,567,000
Authorization No. 14	May 20, 1997	9,100,000
Authorization No. 15	July 29, 1997	700,000
Authorization No. 16	August 19, 1997	46,300,000
Authorization No. 17	August 19, 1997	56,400,000
Authorization No. 18	November 18, 1997	8,500,000
Remaining		<u>777,473,000</u>
Total		<u>\$1,188,000,000</u>

Source of Funds--1996 Revenue Bond Construction Fund

Capital Program for Fiscal Year 1997/98 (Program 15122-S)

Total Program Estimate	\$1,188,000,000
Program Estimate for Fiscal Year 1997/98	\$ 52,677,000

Projected Expenditures of Funds:

Through Fiscal Year 1996/97	\$ 105,174,000
Fiscal Year 1997/98	52,677,000
Fiscal Year 1998/99	161,732,000
Fiscal Year 1999/00	193,924,000
Fiscal Year 2000/01	184,397,000
Fiscal Year 2001/02	160,527,000
Fiscal Year 2002/03	66,898,000
Fiscal Year 2003/04	16,561,000
Contingency	<u>246,110,000</u>
TOTAL	<u>\$1,188,000,000</u>