



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**8-2**

January 27, 1998

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

**From:** <sup>FOR</sup> General Manager

**Submitted by:** Chief Engineer

**Subject:** Appropriate \$19,940,000 and Award a Construction Contract for the Secondary Inlet on the Eastside Reservoir Project

**Reference:** Appropriation No.15123 / Authorization No. 42

*[Handwritten signatures: Gary Malinski and Gary Snyder]*

**RECOMMENDATION(S)**

To construct the Secondary Inlet for the Eastside Reservoir Project, it is recommended that your Board:

1. Appropriate \$19,940,000 of budgeted funds to finance all costs; and
2. Authorize award of a fixed price construction contract in the amount of \$16,178,102 to J.F. Shea Company, Inc.

**EXECUTIVE SUMMARY**

The proposed Secondary Inlet is provided for protection of the Eastside Pipeline from over-pressurization because of accidental valve closures or other actions; to increase operational flexibility through simultaneous inflow and discharge capability from the reservoir; and to provide a secondary means of filling the reservoir should the Inlet/Outlet Tower be out of service for any reason. The Secondary Inlet is designed so that flows entering the reservoir mix thoroughly with reservoir waters, avoiding any negative impacts to water quality or through immediate withdrawal of waters from the reservoir through the Inlet/Outlet Tower.

## JUSTIFICATION

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The Secondary Inlet is an integral part of the ESRP and is essential to protect the Eastside Pipeline from over-pressurization due to surge from sudden closure of valves at the reservoir P-1 Pressure Control/Pumping Plant Facilities. It also provides increased reliability of the reservoir by providing a redundant fill capability should the Inlet/Outlet Tower be out of service for any reason and allows simultaneous filling and drafting of the reservoir.

## ALTERNATIVE(S) TO PROPOSED ACTION

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### Reject all Bids and Readvertise Project

Since this facility is essential to the ESRP, the only feasible alternative is to reject all bids and readvertise the project. This would delay completion, increase administrative costs, and may or may not result in lower bids and increased business outreach.

## FUNDING REQUEST

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<b>Program Name:</b>	Eastside Reservoir Project		
<b>Source of Funds:</b>	Pay-As-You-Go Fund		
<b>Appropriation No.:</b>	15123	<b>Authorization No.:</b>	42
		<b>FY 97/98 Budget:</b>	\$430,249,600
<b>Requested Amount:</b>	\$19,940,000	<b>Capital Program No.:</b>	15123-S
<b>Total Appropriated Amount:</b>	\$1,758,992,000	<b>Capital Program Page No.:</b>	E37
<b>Total Program Estimate:</b>	\$1,972,100,000	<b>Program Category:</b>	Supply & Delivery Reliability

## ACTIONS AND MILESTONES

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- Completed Final Design – October 1997
- Complete Construction – September 1999

## CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

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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 the ESRP. 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.

**CONTRACT SUMMARY**

<b>Contract Status:</b>	New	<b>Type of Selection:</b>	<b>Competitive Bid, Spec. No. 1374</b>
<b>Contract Form:</b>	Construction	<b>Contractors Requesting Plans:</b>	73
<b>Contract Type:</b>	Fixed Price	<b>Proposals Submitted:</b>	5
<b>Evaluation Criteria:</b>	Low bid that meets the requirements of the specification. Bidders qualifications and MBE/WBE good-faith effort are also considered.		

**MBE / WBE**

The construction specification established a mandatory subcontract minimum (MSM) level of eight percent and Anticipated Levels of Participation (ALP) for minority-owned business enterprises of five percent and women-owned business enterprises of one percent. Additionally, the specification required the contractor to submit documentation substantiating its good faith efforts. The Business Outreach Office viewed the good faith effort documentation and deemed it acceptable for consideration of an award. The contractor's bid documentation reflects proposed MBE and WBE participation levels of 5.59 percent and 1.08 percent, respectively. Minority-owned business enterprises (MBE), and Women-owned business enterprises (WBE) participation goals and actual participation levels are shown below:

	<u>MBE</u>	<u>WBE</u>
<b>Goals</b>	5	1
<b>Actuals</b>	5.59	1.08

**DETAILED REPORT**

The Contract provides for construction of all facilities necessary for the operation of the Secondary Inlet including excavation of the jet structure, tunnel portals, roads, pipeline, tunnels, shafts, flow control structure, control building, valve structure, jet structure and spool structure.

Five bids were received and opened on January 8, 1998, under Specifications No. 1374, as amended, for constructing the Secondary Inlet. These bids are shown in the Abstract of Bids on Attachment B. The lowest responsible bid from J.F. Shea Company, Inc., in the amount of \$16,178,102, complies with the requirements of the specifications, is \$1,707,898 below the next lowest bid, and is \$3,199,725 below the Engineer's Estimate. The bid is based upon fixed price, as set forth in the specifications.

A \$19,940,000 increase in Appropriation No. 15123 (formerly, Appropriation No. 560) utilizing funds from the Pay-As-You-Go Fund, is required to finance all remaining costs of the construction for the Secondary Inlet. A breakdown of all estimated costs under the appropriation is contained in the Financial Statement on Attachments A and D.

**FINANCIAL STATEMENT**  
**Eastside Reservoir and Related Facilities**  
**(Program No. 15123-S)**

**Project Summary:**

	<b>Total Project</b>	
	<b>Current Budget</b>	<b>Current Appropriation</b>
Planning	\$ 15,000,000	\$ 15,000,000
Land*	358,000,000	334,000,000
Mitigation*	32,681,000	32,681,000
Design	164,212,595	139,371,439
Construction	1,265,570,245	1,165,403,843
Recreation	60,736,000	
Contingency	75,900,160	72,535,718
<b>TOTAL</b>	<b>\$ 1,972,100,000</b>	<b>\$ 1,758,992,000</b>

\* 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. 41 and 42 to Appropriation No. 15123 are shown below:

	<b>AUTHORIZATION NO. 41</b>	<b>AUTHORIZATION NO. 42</b>
Labor:		
Preliminary Engineering, Final Engineering, and Preparation of Specifications	\$ 26,878,000	\$ 26,878,000
Construction Management Support, Contract Administration, Inspection and Survey	40,052,921	41,309,921
Labor Subtotal	66,930,921	68,187,921
Materials and Supplies	49,902,698	49,902,698
Right of Way Acquisition	303,500,000	303,500,000
Incidental Expenses	18,537,000	18,537,000
Professional Services	257,997,439	257,997,439
Operating Equipment Use	1,480,000	1,480,000
Administrative Overhead	31,336,000	32,029,000
Construction	942,562,778	958,740,880
Contingencies	70,723,820	72,535,718
Reimbursable from Agencies	-3,918,656	-3,918,656
<b>TOTAL</b>	<b>\$ 1,739,052,000</b>	<b>\$ 1,758,992,000</b>

**Estimated Funds Required:**

<b>REVISION</b>	<b>DATE</b>	<b>AMOUNT</b>
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
Authorization No. 35	November 5, 1996	863,000
Authorization No. 36	November 5, 1996	74,700,000
Authorization No. 37	December 17, 1996	48,800,000
Authorization No. 38	January 30, 1997	1,400,000
Authorization No. 39	August 19, 1997	27,900,000
Authorization No. 40	August 19, 1997	7,400,000
Authorization No. 41	December 16, 1997	20,500,000
Authorization No. 42	January 20, 1998	19,940,000
Remaining		213,108,000
<b>TOTAL</b>		<b>\$ 1,972,100,000</b>

**Source of Funds:** Pay-as-you-go Fund

**Class One:** Projects directly related to delivery of water.

**Projected Expenditures of Funds:**

Through	Fiscal Year 1996/97	948,666,500
	Fiscal Year 1997/98	560,815,800
	Fiscal Year 1998/99	243,000,700
	Fiscal Year 1999/2000	21,314,900
	Contingency	<u>198,302,100</u>
	TOTAL	\$ 1,972,100,000

**The Metropolitan Water District of Southern California**

**ABSTRACT OF BIDS RECEIVED JANUARY 8, 1998 AT 2:00 PM**

Specifications No. 1374, as Amended

**Eastside Reservoir Project Secondary Inlet**

This project consists of providing all labor, materials, equipment, and services necessary to construct the secondary inlet at the Eastside Reservoir Project site.

Engineer's Estimate:     \$19,377,827

Bidder & Location	Total
J. F. Shea Co., Inc. - Walnut, California	\$16,178,102
Atkinson-Washington-Zachry, a Joint Venture - Boise, Idaho	\$17,886,000
ARB/CRF, a Joint Venture - Novato, California	\$19,599,000
Kajima Engineering & Construction, Inc. - Pasadena, California	\$19,600,000
Advanco Constructors, Div. of Zurn Constructors, Inc. - Upland, California	\$20,988,151

**MBE/WBE PARTICIPATION****Spec. No. 1374, as Amended**

Name of Bidder: J. F. Shea Co., Inc.

PARTICIPATION LEVELS: 5 Percent MBE and 1 Percent WBE

Name of Certified MBE/WBE Subcontractor/Supplier	Work to Be Performed or Materials To Be Supplied	Participation	
		MBE%	WBE%
Ace Fence	Fencing	.31	
Paramount Metal Supply	Misc. Metal	2.19	
Pacific Reinforcing Steel	Rebar	2.47	
Lowbed Trucking	Truck Hauling	.62	
Quality Hydroseeding	Hydroseeding		.40
Pinnacle Petroleum	Fuel, Lubricants, Tunnel Support Materials		.68
<b>Total Participation</b>		<b>5.59</b>	<b>1.08</b>



**CONSTRUCTION COST SUMMARY****Secondary Inlet**

The total cost breakdown for construction of the Secondary Inlet is shown below:

Construction Specification No. 1374	\$16,178,102
Construction Support	1,210,000
Administrative Overhead	670,000
Contingencies	1,801,898
Total	\$19,860,000