

- **Board of Directors**
Engineering and Operations Committee

June 10, 2003 Board Meeting

9-4

Subject

Authorize \$11.243 million to implement the security system improvements program and enter into an agreement with Johnson Controls, Inc., in an amount not to exceed \$9.5 million to provide physical security improvement systems including maintenance at Metropolitan facilities (Approp. 15295) **[Any discussion of specific threats or facilities to be heard in closed session. Conference with Metropolitan Security Manager—threat to public services or facilities; to be heard in closed session pursuant to Gov. Code § 54957(a)]**

Description

Due to the events of September 11, 2001, Metropolitan implemented heightened security measures at all of its facilities. Subsequently, a comprehensive security threat assessment of Metropolitan facilities was conducted by staff and an outside consultant to determine the potential risk of physical, chemical and biological threats and to identify necessary modifications and improvements. The assessment resulted in the development of a security program that consists of three separate projects: (1) provide physical security improvements; (2) provide landscape screening near the Weymouth and Jensen plants; and, (3) enhance water quality monitoring systems. The recommended projects address the following objectives: improve the security of Metropolitan personnel and property; automate remote water quality sampling and analyses to allow real-time monitoring; and improve our ability to detect intentional water contamination. These three projects received initial board authorization and funding in February 2002.

This letter requests an increase of \$11.243 million in Approp. 15295 to implement security improvements at Metropolitan facilities. Significant activities to be authorized at this time include entering into an agreement with Johnson Controls, Inc., not to exceed \$9.5 million. Under this agreement, Johnson Controls, Inc., will provide design, installation and maintenance of security system improvements at 72 locations throughout Metropolitan's conveyance, treatment and distribution system. In addition, this authorization includes a project to enhance Metropolitan's ability to respond in the event of a potential biological or chemical contamination threat. The Capital Investment Plan (CIP) Evaluation Team has recommended approval of the following two security improvement projects as part of the CIP review process. The landscaping screening project will be completed in July 2003.

- **Provide Physical Security Improvements Systems (\$10.189 million).** Johnson Controls, Inc., has been selected through the competitive Request for Qualifications/Proposal (RFQ/RFP) for experienced and qualified firms to provide security improvement services. Eighteen firms submitted responses to the RFQ and four firms were subsequently determined qualified to provide the required services. Final proposals were received from two qualified firms, and a final agreement was negotiated with the selected firm. The agreement with Johnson Controls, Inc., for an amount not to exceed \$9.5 million will cover design, installation, and maintenance (for a period of five years) of security improvements including alarm, video, and access control at 72 prioritized sites. In addition, this authorization will provide funding to implement remaining physical security improvements, not included in the agreement with Johnson Controls, Inc., including final design of protective covers and fencing at approximately 45 sites. Staff will return to the Board in the future to award a construction contract for these remaining physical security improvements.

- **Water Quality Contaminant Instrumentation Development (\$1.054 million).** The 2001 security threat assessment determined that Metropolitan should be able to promptly and safely respond to potential biological and chemical contamination events in Metropolitan's system. Such events could pose a hazard to first responders or sample collectors who would arrive at the contamination site. To address this potential hazard, automated sampling devices, field microbiological and radiological test kits, hydraulic distribution system models, and new analytical methodologies will be developed to enhance Metropolitan's ability to respond to potential biological or contamination threats.

Metropolitan staff will continue to perform those tasks that are critical to overall program success including project management, security oversight, field inspection, telecommunications, and network coordination. Contracts will be used to implement physical security improvement systems at all facilities, as well as to develop hydraulic models and conduct analyses to identify unknown constituents in water contamination events.

See [Attachment 1](#) for the detailed report and [Attachment 2](#) for the financial statement.

Policy

Metropolitan Water District Administrative Code § 5108: Capital Project Appropriation
Metropolitan Water District Administrative Code § 8117: Professional and Technical Consultants
Metropolitan Water District Administrative Code § 9100(b): Risk Management

California Environmental Quality Act (CEQA)

CEQA determinations for Staff Recommendation:

Physical Security Improvement Systems

To comply with CEQA, Metropolitan, as the Lead Agency, determined that implementing security system improvements at all Metropolitan facilities (Project) was categorically exempt (i.e., Class 1, Section 15301; Class 2, Section 15302; and Class 3, Section 15303 of the State CEQA Guidelines) and approved the Project on February 12, 2002. The current board action involves the funding and awarding of a contract to carry out the work with no major modifications to the originally approved Project. Hence, the previously adopted exemptions comply with CEQA and the State CEQA Guidelines as related to the proposed action. As such, no further environmental documentation is necessary for the Board to act on with respect to the proposed action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the 2002 categorical exemptions and that no further environmental analysis or documentation is required.

Water Quality Contaminant Instrumentation Development

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves utilizing models, purchasing kits, and installing new devices to existing public water conveyance facilities with no expansion of use and no possibility of significantly impacting the physical environment. As such, the proposed action qualifies for a Class 1, Categorical Exemption (Section 15301 of the State CEQA Guidelines).


The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under a Categorical Exemption (Class 1, Section 15301 of the State CEQA Guidelines).

Staff Recommendation

Adopt the CEQA determinations for all projects determined herein and

- a. Appropriate \$11.243 million to fund security system improvements; and
- b. Authorize entering into an agreement with Johnson Controls, Inc., to provide design, installation and maintenance (for a period of five years) for security improvements including alarm, video, and access control at 72 prioritized sites in an amount not to exceed \$9.5 million.


Fiscal Impact: \$11.243 million of CIP funds under Appropriation No. 15295. In addition, \$1.135 million of O&M funds will be expended in fiscal years 2005/06 through 2008/09 to provide the maintenance portion of the contract.



Jiff T. Wicke
Manager, Water System Operations

5/21/2003

Date



Ronald R. Gastelum
Chief Executive Officer

5/21/2003

Date

Attachment 1 – Detailed Report

Attachment 2 – Financial Statement

BLA #2005

Detailed Report

In February 2002, the Board of Directors authorized implementation of security system improvements at Metropolitan facilities and three separate projects were approved for a total of \$6.429 million as follows: (1) Provide Physical Security Improvements (\$3.7 million); (2) Provide Screening along Wheeler Avenue and Balboa Boulevard (\$685,000); and (3) Enhance Water Quality Monitoring Systems (\$1.186 million). The screening project is scheduled for completion by July 2003. The Enhance Water Quality Monitoring Systems project provides remote water quality monitoring at 25 sites measuring real-time pressure, chlorine residual, turbidity, pH, and specific conductivity. Additionally, contaminant-monitoring systems that are commercially available are being implemented under this project, which is scheduled for completion by July 2003. The following projects are covered under this board action:

Provide Physical Security Improvements Systems (\$10.189 million)

Background/Purpose

- Water System Operations (WSO) staff developed a comprehensive security threat matrix covering Metropolitan facilities. The matrix identified recommended security measures and priority ranking. After February 2002, the project staff including security personnel performed detailed surveys of all the sites in the security matrix. Also, detailed functional specifications for the security measures including alarm, video, and monitoring systems were developed, and a request for qualifications was issued. Eighteen firms submitted responses and four firms were short-listed. All short-listed firms were required to sign confidentiality agreements to be further considered. Subsequently, two firms dropped out of the process, and the remaining two firms signed agreements with Metropolitan to provide proposals. Metropolitan staff developed and provided the security requirements to the short-listed firms. Based on proposal evaluation and negotiations, Johnson Controls, Inc., was selected to provide the required security improvements at all sites. The agreement with Johnson Controls, Inc., for an amount not to exceed \$9.5 million will cover design, installation and maintenance (for a period of five years) for security improvements including alarm, video, and access control at 72 prioritized sites. In addition, this authorization will provide funding to implement remaining physical security improvements, not included in the agreement with Johnson Controls, Inc., including final design of protective covers and fencing at approximately 45 sites. Staff will return to the Board in the future to award a construction contract for these remaining physical security improvements.

Actions and Milestones

- June 2003 – Board authorization and funding; contract award to Johnson Controls, Inc.
- March 2004 – Complete security system implementation at highest priority sites by Johnson Controls, Inc.
- January 2005 – Complete security system implementations at 72 sites by Johnson Controls, Inc.

Water Quality Contaminant Instrumentation Development (\$1.054 million)

Background/Purpose

Metropolitan needs to be able to respond to potential biological and chemical contamination events in its distribution system. These events could pose a hazard to first responders or sample collectors who would arrive at the contamination site. Automated sampling devices, field microbiological and radiological test kits, hydraulic distribution system models, and new analytical methodologies including bioassays and toxins will be developed to enhance Metropolitan's ability to respond to potential biological or contamination threats. The Enhance Water Quality Monitoring Systems project currently underway is intended to implement existing and commercially available instrumentation for water systems. This project addresses existing technological gaps and limitations in order to develop new procedures as described above for responding to potential contamination events.

Actions and Milestones

- June 2003 – Board authorization and funding
- November 2003 – Award contract for sampling equipment and field test kits
- July 2004 – Project completion

Attachment 2 contains the breakdown of the total estimated costs for these projects. These projects were reviewed by the CIP Evaluation Team and recommended to proceed. The CIP will be adjusted to reflect the appropriate amount.

Financial Statement for All Facilities-Security System Improvements Program

A breakdown of Board Action No. 3 for Appropriation No. 15295 for the All Facilities-Security System Improvements Program is as follows:

	Previous Board Action No. 2 (Feb. 2002)	Current Board Action No. 3 (Apr. 2003)	New Total Appropriated Amount
Labor	1,714,000	2,503,900	4,217,900
Materials and Supplies	3,246,000	(1,450,900)	1,795,100
Incidental Expenses	15,000	68,000	83,000
Professional/Technical Services	120,000	9,651,000	9,771,000
Operating Equipment	15,000	17,000	32,000
Contracts	480,000	0	480,000
Remaining Budget	839,000	454,000	1,293,000
Total	<u><u>\$6,429,000</u></u>	<u><u>\$11,243,000</u></u>	<u><u>\$17,672,000</u></u>

Funding Request

Program Name:	All Facilities-Security Systems Improvements		
Source of Funds:	Construction Funds (General Obligation, Revenue Bonds, Pay-As-You-Go Fund)		
Appropriation No.:	15295	Board Action No.:	3
Requested Amount:	\$11,243,000	Capital Program No.:	15295-M
Total Appropriated Amount:	\$17,672,000	Capital Program Page No.:	E-4
Total Program Estimate:	\$21,655,000	Program Goal:	M-Risk Management