

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

September 9, 2003 Board Meeting

9-2

Subject

Appropriate \$3.40 million and award a \$2.768 million construction contract to Royal Construction Corp. for the F. E. Weymouth – Renovation of the Softener Building Program (Approp. 15370)

Description

Metropolitan field employees had utilized leased office space in the city of Glendora for staff offices and as a training facility until the lease expired in June 2002. Staff was relocated to temporary quarters at Union Station and the F. E. Weymouth Filtration Plant. In September 2002, the Board considered three office space alternatives for field employees and selected the proposed renovation of Softener Building No. 3, which has the lowest lifetime cost as determined in the cost-benefit analysis. The proposed renovation of Softener Building No. 3 is consistent with the overall Weymouth site plan, addresses the building's current code deficiencies, and consolidates staff offices that are presently located in several locations to a single building.

The September 2002 board action authorized all work in advance of award of a competitively bid contract for construction, to provide the necessary workspace for the Glendora- and Weymouth-based staff. This construction project was previously advertised on February 28, 2003 and bids were opened on April 10, 2003, with one bid being received. The single bid was rejected and the project was re-advertised for bid on June 23, 2003. The second advertisement for this project is complete, five bids were received and the low bid from Royal Construction Corp., in the amount of \$2.768 million, complies with the requirements of the specifications. The engineer's estimate was \$2.95 million. For this project, Metropolitan requires Small Business Enterprise (SBE) participation of at least 30 percent of the total construction bid. Royal Construction Corp. has committed to achieving this requirement.

This action awards a construction contract to modify the existing Softener Building No. 3 and appropriates \$3.40 million for the construction contract and for construction inspection and support activities. This project has been evaluated and recommended by the Capital Investment Plan (CIP) Evaluation Team, and is included in the capital budget for fiscal year 2003/04. See [Attachment 1](#) for the detailed report, [Attachment 2](#) for the abstract of bids and [Attachment 3](#) for the financial statement.

Policy

Metropolitan Water District Administrative Code § 5108: Capital Project Appropriation
Metropolitan Water District Administrative Code § 8113: Construction Contract Award

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

To comply with CEQA and the State CEQA Guidelines, Metropolitan as the Lead Agency prepared a Negative Declaration (ND) for the Weymouth Softener Building No. 3 Renovation Project. The ND was distributed for a 30-day public review period that began on July 11, 2002. The Board later adopted the ND on September 10, 2002. Hence, the previously adopted environmental documentation in conjunction with the current proposed actions fully complies with CEQA and the State CEQA Guidelines. As such, no further environmental documentation is necessary for the Board to act on with respect to the proposed actions.

The CEQA determination is: Determine that the proposed actions have been previously addressed in the adopted 2002 ND and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

Option #1

Adopt the CEQA determination and

- a. Appropriate \$3.40 million in budgeted funds
- b. Award a construction contract to Royal Construction Corp. in the amount of \$2.768 million for renovation of the existing Softener Building No. 3 at the Weymouth filtration plant.

Fiscal Impact: A total of \$4.30 million of budgeted CIP funds under Approp. 15370.

Option #2

Reject all bids and re-advertise in order to obtain a more favorable bid.

Fiscal Impact: Unknown

Staff Recommendation

Option #1

	8/11/2003
Gordon L. Johnson	<i>Date</i>
for Roy L. Wolfe	
Manager, Corporate Resources	
	8/22/2003
Ronald R. Gastelum	<i>Date</i>
Chief Executive Officer	

Attachment 1 – Detailed Report

Attachment 2 – Abstract of Bids

**Attachment 3 – Financial Statement for Weymouth Filtration Plant –
Renovation of the Softener Buildings Program**

Detailed Report

Purpose/Background

In the early 1970s, Metropolitan abandoned the water softening process at the Weymouth filtration plant. This process required the use of large equipment and structures housed within Softener Buildings Nos. 1, 2, and 3. Although these three buildings were not originally intended for office occupancy, over the years they have been modified to accommodate various office, plant maintenance, and storage needs. Metropolitan continues to occupy these structures on a limited basis to meet space requirements. Previously, 46 members of the Weymouth plant maintenance staff resided in the softener buildings. To continue the use of these buildings as office space, Metropolitan is required to make building upgrades. Additionally, as part of the Seismic Assessment Program within the Infrastructure Reliability and Protection Plan, staff has analyzed these buildings for their ability to resist earthquake loading. The analyses indicate that in order for the structures to remain occupied, they will require seismic strengthening.

In June 1997, Metropolitan leased 24,000 square feet of office space in the city of Glendora. The lease for this office space expired in June 2002. Of the 57 staff members located in Glendora, up to 19 have been temporarily relocated to Union Station and up to 38 have been relocated to Weymouth. Currently, approximately 80 Metropolitan employees occupy space in temporary quarters at the Weymouth site. These temporary quarters consist of existing vacant offices, existing modular buildings, and other converted-use spaces. The temporary quarters at Union Station and Weymouth are not desirable as a long-term solution as the staff will be unconsolidated and will be operating in an inefficient manner. Employees who perform field work that requires extensive travel to various job sites and Metropolitan facilities are best located near the center of Metropolitan's distribution system in La Verne. In addition, there is insufficient space for the field training facility, which was formerly located at Glendora. The field training facility will be unavailable until the renovation of Softener Building No. 3 is complete.

In September 2002, the Board considered three alternatives for the long-term solution of field employee office space and selected the proposed renovation of Softener Building No. 3, which has the lowest lifetime cost. At that time, the Board authorized initial funding to perform preliminary design in support of preparing the necessary environmental documentation.

Project Description and Implementation

Renovation of the existing Softener Building No. 3 at Weymouth will provide needed office space for staff to be relocated from temporary quarters, will address building code life-safety issues for staff currently occupying Softener Building No. 3, and will restore an existing structure of the Weymouth plant site to beneficial use. Tetra Design Inc., was selected to conduct final design through a competitive selection process. Tetra Design has completed design of the Weymouth Softener Building No. 3 renovations, and staff has coordinated with the city of La Verne Building Department to receive approval for the project. This action awards a competitively bid construction contract and appropriates funds for construction inspection and support. Metropolitan staff will perform construction management of this project. The cost of inspection as a percentage of the construction cost is approximately eight percent.

Bid Results and Business Outreach

Specifications No. 1471A for renovation of the F. E. Weymouth Filtration Plant Softener Building No. 3 was advertised on June 23, 2003. As shown in Attachment 2, a total of five bids were received and opened on August 7, 2003. The low bid from Royal Construction Corp., in the amount of \$2.768 million, complies with the requirements of the specifications. The Engineer's Estimate was \$2.950 million. For this project, Metropolitan requires Small Business Enterprise (SBE) participation of at least 30 percent of the total construction bid. Royal Construction Corp. has met the requirement.

Actions and Milestones

November 2003 – Commencement of construction
November 2004 – Completion of construction
December 2004 – Occupancy of building

The Metropolitan Water District of Southern California

Abstract of Bids Received August 7, 2003, at 2:00 P.M.

Specifications No. 1471A

F. E. Weymouth Filtration Plant Conversion of Softener Building No. 3 to Office Space

The project consists of renovation and conversion of the existing Softener Building No. 3 at the F. E. Weymouth Filtration Plant located in La Verne, California to provide office space on the first floor of the one-story reinforced concrete building.

Engineer's Estimate: \$ 2,950,000

Bidder and Location	Total	SBE % Participation	Met SBE (30% Minimum)
Royal Construction Corp. Arcadia, CA	\$2,768,000	100	Yes
Tower Engineering Constructors Los Angeles, CA	\$2,998,000		N/A
Perera Construction & Design Ontario, CA	\$3,029,418		N/A
Tricon, Inc. Van Nuys, CA	\$3,267,000		N/A
MTM Construction, Inc. Hacienda Heights, CA	\$3,750,000		N/A

N/A – Not applicable

Financial Statement for Weymouth Filtration Plant - Renovation of the Softener Buildings Program

A breakdown of Board Action No. 3 for Approp. No. 15370 for all costs to perform renovations to Softener Building No. 3 at the Weymouth facility is as follows:

	Previous Board Action No. 2 (Sept. 2002)	Current Board Action No. 3 (Sept. 2003)	New Total Appropriated Amount
Labor			
Studies and Investigations	\$ 100,000	0	\$ 100,000
Owner Costs (Program management, contract administration)	272,500	50,000	322,500
Construction Inspection & Support	0	220,000	220,000
Water System Operations	20,000	0	20,000
Materials and Supplies	20,000	0	20,000
Incidental Expenses (Building permit fees)	10,000	20,000	30,000
Professional/Technical Services	400,000	0	400,000
Equipment Use	10,000	0	10,000
Contracts	0	2,768,000	2,768,000
Remaining Budget	67,500	342,000	409,500
Total	<u>\$ 900,000</u>	<u>\$ 3,400,000</u>	<u>\$ 4,300,000</u>

Funding Request

Program Name:	Weymouth Filtration Plant – Renovation of the Softener Buildings		
Source of Funds:	Construction Funds (General Obligation, Revenue Bonds, Pay-Go Fund)		
Appropriation No.:	15370	Board Action No.:	3
Requested Amount:	\$ 3,400,000	Capital Program No.:	15370-E
Total Appropriated Amount:	\$ 4,300,000	Capital Program Page No.:	E-78
Total Program Estimate:	\$ 6,547,000	Program Goal:	Cost Efficiency/Productivity