

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

February 8, 2005 Board Meeting

8-2

Subject

Appropriate \$9.4 million; and award an \$8.545 million procurement contract to Ameron International Corporation to furnish pipe for the Skinner Oxidation Retrofit Program (Approp. 15388)

Description

Final design of the Skinner Oxidation Retrofit Program (ORP) was authorized by Metropolitan's Board in July 2003. Ozone will replace chlorine as the primary disinfectant and substantially reduce disinfection by-product levels for compliance with both Stage 1 and Stage 2 of the U.S. Environmental Protection Agency's Disinfectants/Disinfection By-Products Rule.

Staff has identified the need for several procurement and construction contracts to most efficiently implement the Skinner ORP and Skinner Expansion No. 4 programs in order to meet the planned on-line dates. In May 2004, Metropolitan's Board awarded a site preparation contract that will prepare the Skinner plant site for the subsequent major construction work. Site preparation for the ORP is expected to be completed in June 2005. The Skinner ORP construction is scheduled to commence in June 2005 and to be completed in December 2007.

Skinner ORP – Large Diameter Pipe Procurement

To most efficiently construct the Skinner ORP, staff recommends pre-purchasing approximately 3,200 linear feet of 144-inch-diameter steel pipe; 680 linear feet of 96-inch-diameter steel pipe; 1,220 linear feet of 60-inch-diameter steel pipe; 77 linear feet of 48-inch-diameter steel pipe; and 8 linear feet of 36-inch-diameter steel pipe. These pipes will traverse the Skinner ORP construction area and must be buried before the Skinner ORP contractor can begin constructing the ozone contactors and related facilities. Pipe fabrication and delivery to the site are expected to take eight months. By initiating procurement of the pipe sections at this time, pipe fabrication can take place while the ORP design is finalized and advertised for bids. The Skinner ORP contractor is expected to start work in June 2005. Therefore, by pre-purchasing these sections of pipe, the contractor will be able to install them shortly after mobilizing, during the summer of 2005. This approach will help to ensure completion of the Skinner ORP construction on schedule.

As shown in [Attachment 1](#), two bids were received and opened under Specifications No. 1519 for pipe fabrication for the Skinner ORP. The low bid from Ameron International Corporation, in the amount of \$8.545 million, complies with the requirements of the specifications. The engineer's estimate was \$8 million. The difference between the low bid and the engineer's estimate appears to result from the difficulty in assessing the competitive environment with a limited number of bidders. For this project, Metropolitan did not require Small Business Enterprise participation.

As shown in [Attachment 2](#), this action appropriates \$9.4 million and awards an \$8.545 million procurement contract to Ameron International Corporation to furnish fabricated steel pipe and fittings for the Skinner ORP. Metropolitan staff will review the pipe fabrication shop drawings and perform shop inspection for the work.

The Skinner ORP has been evaluated and recommended by Metropolitan's Capital Investment Plan Evaluation Team and funds have been included in the fiscal year 2004/2005 capital budget. See [Attachment 3](#) for the Location Map.

Policy

Metropolitan Water District Administrative Code Section 5108: Capital Project Appropriation
Metropolitan Water District Administrative Code Section 8103: Competitive Bids
Metropolitan Water District Administrative Code Section 8113: Awards

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The environmental effects from the construction and operation of the proposed Skinner Expansion No. 4 and Skinner ORP (collectively referred to as the projects) were evaluated in the Robert A. Skinner Filtration Plant Reliability and Quality Program Final Program Environmental Impact Report (Final PEIR). The Board certified the Final PEIR on July 8, 2003. The Board also approved the Findings of Fact (findings), the Statement of Overriding Considerations (SOC), the Mitigation Monitoring and Reporting Program (MMRP), and the projects themselves.

Subsequent to certification of the Final PEIR, various changes and refinements were made to the project. The potential impacts associated with these changes and refinements were evaluated in two separate environmental documents. First, acting as Lead Agency, Metropolitan prepared a Mitigated Negative Declaration (MND) entitled, "Robert A. Skinner Filtration Plant Reliability and Quality Program Additional Construction Use Area and Creek Crossing." The MND was distributed for a 30-day public review period beginning on December 19, 2003, and ending on January 17, 2004. The Board adopted the MND, related findings and a MMRP on April 13, 2004.

Second, again acting as Lead Agency, Metropolitan prepared a Negative Declaration (ND) entitled, "Robert A. Skinner Filtration Plant Reliability and Quality Program Refinements to the Program." The ND was distributed for a 30-day public review period beginning on August 31, 2004, and ending on September 29, 2004. The Board adopted the ND and related findings on November 9, 2004.

All of the above documentation, including other materials that constitute the record of proceedings upon which the Lead Agency decision is based, has been and will be on file at Metropolitan's headquarters located at 700 North Alameda Street, Los Angeles, CA 90012. The present proposed board actions are solely based on authorizing the procurement of large diameter pipes that were part of the project description in the PEIR, MND and ND and not on any substantial changes to the approved project itself. Hence, the previously adopted environmental documentation fully complies with CEQA and the State CEQA Guidelines. Accordingly, 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 certified 2003 Final PEIR, adopted MND, and adopted ND and related documents (adopted findings, adopted SOC and adopted MMRPs), 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 \$9.4 million in budgeted funds; and
- b. Award a procurement contract for \$8.545 million to Ameron International Corporation to furnish fabricated steel pipe and fittings for the Skinner Oxidation Retrofit Program.

Fiscal Impact: \$9.4 million of budgeted funds under Approp. 15388

Option #2

Do not award the pipe procurement contract and re-advertise in an attempt to receive more favorable bids. This option will delay completion of the Skinner ORP by three to four months.

Fiscal Impact: None

Option #3

Do not award the pipe procurement contract and instead require the Skinner ORP contractor to purchase and install the pipe and fittings. This option will delay completion of the Skinner ORP by six to eight months.

Fiscal Impact: None

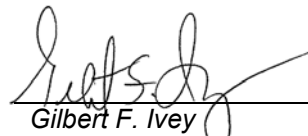
Staff Recommendation

Option #1



Roy L. Wolfe
Manager, Corporate Resources

1/6/2005
Date



Gilbert F. Ivey
Interim Chief Executive Officer

1/16/2005
Date

Attachment 1 – Abstract of Bids

Attachment 2 – Financial Statement

Attachment 3 – Location Map

BLA #3215

The Metropolitan Water District of Southern California

Abstract of Bids Received on December 6, 2004 at 10:00 A.M.

Specifications No. 1519

**Furnishing Fabricated Steel Pipe and Fittings for
Robert A. Skinner Water Treatment Plant Oxidation Retrofit Program
and Washwater Reclamation Plant No. 3**

The contract consists of furnishing fabricated steel pipe and fittings. The size and length of pipe sections are approximately 3,200 linear feet of 144-inch-diameter pipe, 680 linear feet of 96-inch-diameter pipe, 1,220 linear feet of 60-inch-diameter pipe, 77 linear feet of 48-inch-diameter pipe, and 8 linear feet of 36-inch-diameter pipe.

Engineer's Estimate: \$8,000,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE
Ameron International, Rancho Cucamonga, CA	\$8,545,000	N/A	N/A	N/A
Northwest Pipe Co., Riverside, CA	\$8,660,209	N/A	N/A	N/A

N/A – Not Applicable

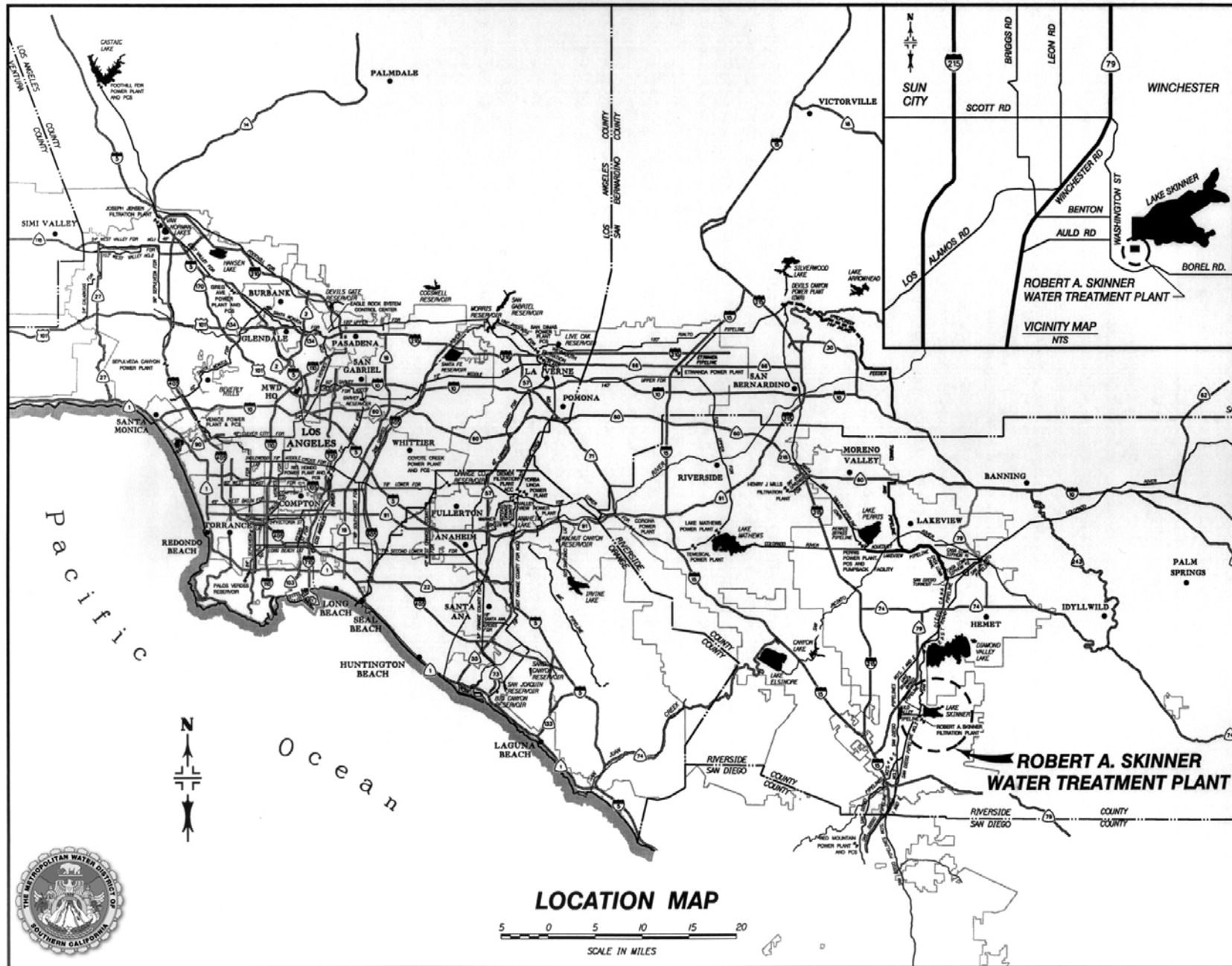
Financial Statement for Skinner Oxidation Retrofit Program

A breakdown of Board Action No. 6 for Appropriation No. 15388 for the Skinner Oxidation Retrofit Program is as follows:

	Previous Total Appropriated Amount (Nov. 2004)	Current Board Action No. 6 (Feb. 2005)	New Total Appropriated Amount
Labor			
Studies and Investigations	\$ 1,540,000	\$ 0	\$ 1,540,000
Design and Specifications	136,000	0	136,000
Owner Costs (Program management)	2,409,000	81,000	2,490,000
Submittals Review	528,000	80,000	608,000
Metropolitan Force Construction	264,000	0	264,000
Construction Inspection and Support	1,136,000	197,000	1,333,000
Control System Integration	404,000	0	404,000
Materials and Supplies	293,000	0	293,000
Ozone Equipment Procurement	8,409,000	0	8,409,000
Pipe Procurement	0	8,545,000	8,545,000
Incidental Expenses	250,000	0	250,000
Professional/Technical Services	13,648,000	15,000	13,663,000
Equipment Use	80,000	0	80,000
Contracts	7,996,000	0	7,996,000
Remaining Budget	4,789,000	482,000	5,271,000
Total	<u>\$41,882,000</u>	<u>\$9,400,000</u>	<u>\$51,282,000</u>

Funding Request

Program Name:	Skinner Oxidation Retrofit Program		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15388	Board Action No.:	6
Requested Amount:	\$ 9,400,000	Capital Program No.:	15388-W
Total Appropriated Amount:	\$ 51,282,000	Capital Program Page No.:	E-58
Total Program Estimate:	\$ 176,200,000	Program Goal:	WQ/Compliance



LOCATION MAP

5 0 5 10 15 20
SCALE IN MILES