

- **Board of Directors**  
**Engineering and Capital Programs Committee**

April 10, 2007 Board Meeting

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**8-18**

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**Subject**

Authorize construction contract change order to address urgent repair of the Rialto Pipeline (Approp. 15427)

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**Description**

Metropolitan's Rialto Pipeline conveys untreated State project water from the California Department of Water Resources' Devil Canyon Power Plant to Metropolitan's San Dimas Flow Control Facility near Live Oak Reservoir. The Rialto Feeder was installed in 1973 and its diameter varies from 98 to 120 inches. The length of the Rialto Feeder is 30 miles, of which approximately 16 miles are prestressed concrete cylinder pipe (PCCP) while the remaining 14 miles are welded steel pipe.

In February 2007, electromagnetic inspections were conducted on the Rialto Pipeline, which identified one pipe segment with up to 85 prestressed wire breaks concentrated at one end of the pipe. The previous inspection conducted in 2004 did not reveal any wire breaks in this pipe segment, suggesting that damage may have occurred from unrelated construction activities over the pipeline. This segment is located along a residential street in the city of Rancho Cucamonga. Pipe segments with this level of distress warrant repair as soon as possible. The planned repair consists of removing the distressed PCCP segment and installing 20 feet of steel pipe in its place. Local site conditions including proximity of homes, traffic controls, multiple interfering utilities, and the rocky soil have impacted the repair plan. Since the identified work requires a rapid response, assistance has been requested from J.F. Shea, Inc., the contractor who is currently performing other improvement work on the Rialto Pipeline.

J.F. Shea, Inc. has qualified personnel, equipment, and a contracting mechanism in place, and can be deployed rapidly to repair the distressed pipe segment. In August 2006, Metropolitan's Board awarded Contract No. 1634 to J.F. Shea, Inc. in the amount of \$6,109,028, to construct two sectionalizing structures under the Rialto Pipeline Improvements Contract. This work is scheduled to be completed by June 2007 and is currently 60 percent complete. For this situation, which requires an urgent and immediate response, use of an on-board contractor results in timely response at lower cost. In order to repair the pipe segment, a nine-day shutdown of the Rialto Pipeline is required. This shutdown has been coordinated with the impacted member agencies and is scheduled to begin on April 16, 2007.

Metropolitan's Administrative Code authorizes the General Manager to execute change orders on construction contracts for an amount not to exceed five percent of the initial amount of the contract or \$250,000, whichever is greater. For change orders that exceed the General Manager's authority, board authorization is required. Metropolitan's construction contracts are typically completed with final change order amounts falling well within the General Manager's authority. Under Metropolitan's Administrative Code, the General Manager's authority to issue change orders on this contract is \$305,451.

This action authorizes the General Manager to execute change orders with J.F. Shea, Inc., up to a new aggregate amount not to exceed \$1.3 million (21 percent of the original contract). This sum includes the original change order authority (\$305,451), an additional \$994,549 to cover the following: \$640,000 to cover the pipeline repair, \$160,000 for installation of a bulkhead that will allow continued water deliveries to Cucamonga County Water District during the shutdown period, and \$194,549 to be held in reserve if unforeseen conditions are encountered. The pipeline repair cost is consistent with other recently completed pipeline repairs, and the bulkhead installation cost will be reimbursed by Cucamonga County Water District. In addition to the construction amount (\$800,000), the appropriated funds include \$40,000 for final design; \$74,000 for project management, coordination, and

permitting with local and environmental agencies; \$40,000 for construction management and inspection; \$235,000 for Metropolitan force fabrication of the replacement pipe and dewatering; and \$191,000 for remaining budget.

This project is not included with the capital budget for fiscal year 2006/07 because the damaged pipe segment was discovered subsequent to adoption of the budget. Upon approval of this action, the fiscal year 2006/07 capital expenditure plan will be adjusted to reflect the new work. See [Attachment 1](#) for the Financial Statement and [Attachment 2](#) for Location Maps.

**Project Milestones**

- April 16-24, 2007 – Rialto Pipeline shutdown
- April 30, 2007 – Completion of site restoration

**Policy**

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Metropolitan Water District Administrative Code Section 8115: Negotiated Contracts

**California Environmental Quality Act (CEQA)**

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CEQA determination for Staff Recommendation:

The proposed actions are exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed actions include the immediate remedial repair of existing pipelines with the same purpose and capacity. Accordingly, the proposed actions qualify under a statutory exemption (Sections 21060.3 and 21080(b) of the California Public Resources Code and Section 15269 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed actions qualify under a statutory exemption (Sections 21060.3 and 21080(b) of the California Public Resources Code and Section 15269 of the State CEQA Guidelines).

**Staff Recommendation**

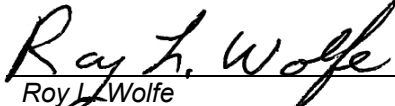
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Adopt the CEQA determination and

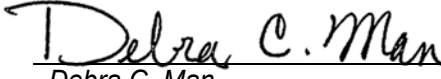
- a. Appropriate \$1.38 million for urgent repair of a segment of the Rialto pipeline; and
- b. Authorize the General Manager to increase change order authority by \$994,549 on the Rialto Pipeline Improvements contract, for a new aggregate amount of \$1.3 million.

**Fiscal Impact:** \$1.38 million in unbudgeted funds, of which \$160,000 will be reimbursed by Cucamonga County Water District

**Business Analysis:** This option will enhance reliability for deliveries to member agencies and reduce the risk of an unplanned outage.

  
 Roy L. Wolfe  
 Manager, Corporate Resources

4/2/2007  
 Date

  
 Debra C. Man  
 for Jeffrey Kightlinger  
 General Manager

4/2/2007  
 Date

[Attachment 1 – Financial Statement](#)

[Attachment 2 – Location Maps](#)

**Financial Statement for Rialto Pipeline Improvements Program**

A breakdown of Board Action No. 5 for Appropriation No. 15427 is as follows:

|   | <b>Previous Total<br/>Appropriated<br/>Amount<br/>(Aug. 2006)</b> | <b>Current Board<br/>Action No. 5<br/>(Apr. 2007)</b> | <b>New Total<br/>Appropriated<br/>Amount</b> |
|---|---|---|--|
| Labor   |   |   |  |
| Studies and Investigations  | \$ 60,000   | \$ -  | \$ 60,000                                    |
| Owner Costs (Program management,<br>permitting, environmental monitoring) | 616,750   | 74,000  | 690,750                                      |
| Final Design  | -   | 40,000  | 40,000                                       |
| Construction Inspection and Support                                       | 50,000  | 40,000  | 90,000                                       |
| Metropolitan Force Construction   | 89,000  | 160,000   | 249,000                                      |
| Materials and Supplies  | 1,239,607   | 20,000  | 1,259,607                                    |
| Incidental Expenses   | 29,500  | 50,000  | 79,500                                       |
| Professional/Technical Services   | 1,850,000   | -   | 1,850,000                                    |
| Equipment Use   | -   | 5,000   | 5,000  |
| Contracts   | 6,109,028   | 800,000   | 6,909,028                                    |
| Remaining Budget  | 1,056,115   | 191,000   | 1,247,115                                    |
| <b>Total</b>  | <b>\$ 11,100,000</b>  | <b>\$ 1,380,000</b>                                   | <b>\$ 12,480,000</b>                         |

**Funding Request**

|                                   |   |                                  |               |
|-----------------------------------|---|----------------------------------|---------------|
| <b>Program Name:</b>              | Rialto Pipeline Improvements                                  |                                  |               |
| <b>Source of Funds:</b>           | Revenue Bonds, Replacement and Refurbishment or General Funds |                                  |               |
| <b>Appropriation No.:</b>         | 15427   | <b>Board Action No.:</b>         | 5             |
| <b>Requested Amount:</b>          | \$ 1,380,000  | <b>Capital Program No.:</b>      | 15427         |
| <b>Total Appropriated Amount:</b> | \$ 12,430,000   | <b>Capital Program Page No.:</b> | N/A           |
| <b>Total Program Estimate:</b>    | \$ 19,300,000   | <b>Program Goal:</b>             | R-Reliability |

