

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

June 12, 2007 Board Meeting

7-7

Subject

Authorize increase of \$1.8 million to the existing agreement with Parsons Water & Infrastructure for project controls support on the Inland Feeder Program (Approp. 15122)

Description

The Inland Feeder Program consists of 44 miles of pipelines and tunnels that will enable Metropolitan to convey up to 1,000 cubic feet per second of State Water Project (SWP) supplies from Devil Canyon Afterbay to Diamond Valley Lake. To date, eight of nine construction contracts totaling \$542 million have been completed. These completed contracts represent 36.3 miles or 82 percent of the Inland Feeder's length. The completed portion of the Inland Feeder has been in service since 2003 via an interconnection that was constructed between the Inland Feeder and San Bernardino Valley Municipal Water District's Foothill Pipeline. Remaining program work includes completion of the Arrowhead East and West Tunnels, which are presently under construction. The original contract schedule called for the Arrowhead Tunnels to be on-line by early 2007. However, in mid-2006, the date was revised to September 2010 based on a contract amendment that was negotiated with the contractor and approved by Metropolitan's Board.

Given the size and complexity of the Inland Feeder, an experienced project controls staff has been and will continue to be an integral component of the program management team. Project controls services consist of cost/schedule control and reporting, contract administration, invoice review, document control and other administrative and clerical support. In addition, as a result of the recently amended Arrowhead Tunnels contract, there are increased duties such as an extensive monthly verification and audit of the contractor's invoices on reimbursable charges. Metropolitan's plan has been to utilize a specialized consultant experienced in project controls for the duration of the Inland Feeder Program's specific needs. Use of a consultant to perform this function is consistent with the Corporate Resources Group's business plan and with Metropolitan's Capital Investment Plan (CIP) budget.

Parsons Water & Infrastructure was selected through a competitive process (Request for Proposals No. 127) to provide project controls support for the Inland Feeder Program. The Board initially authorized an agreement with Parsons in 1994 in the amount of \$3.85 million to provide control services support through the program's design phase. In May 1997, the Board authorized an increase of \$8.3 million to extend services through completion of the program, estimated at that time to be late 2003 (based on an earlier schedule for Arrowhead Tunnels construction.) Due to the revised completion date of the Arrowhead Tunnels and the ongoing need for project controls, staff recommends that Parsons continue to provide project controls services through the completion of that construction contract in late 2010. Based on expenditures to date and the projected work plan going forward, an increase to the amount of the agreement will be required by late 2007. The amount of the increase is recommended to be \$1.8 million, based on staff's projection of the future level of required services. The number of consultant staff provided under this agreement has been reduced over the past year, and staff will continue to assess the required level of services as the Inland Feeder Program moves toward completion.

This action authorizes an increase of \$1.8 million to the existing agreement with Parsons, for a new not-to-exceed total of \$13.95 million, to provide project controls support for the Inland Feeder Program. Additionally, the agreement duration will be extended to December 2010. No additional funds are required under this action; funds will be reallocated from the program's remaining budget into the active project budget for these services. Definition of extended project controls services and their associated costs were deferred at the time the contract

amendment was authorized in August 2006, so that staff could assess the long-term need in light of the new working relationship with the contractor and the actual tunneling progress achieved. The Inland Feeder Program budget remains at \$1.186 billion. This program has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds have been included within the fiscal year 2007/08 capital budget.

Policy

Metropolitan Water District Administrative Code Section 8117: Professional and Technical Consultants

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The original environmental effects from the construction and operations of the Arrowhead Tunnels were evaluated in the Inland Feeder Project (i.e., IFP) Final Environmental Impact Report/Environmental Assessment (Final EIR/EA), which was certified by the Board in February 1993. The Board also approved the Findings of Fact (findings), the Mitigation Monitoring and Reporting Program (MMRP), the Statement of Overriding Considerations (SOC), and IFP. The present proposed board action is solely based on extending an existing agreement with Parsons Water & Infrastructure to continue providing project controls support services for the IFP through late 2010 and not on any substantial changes to the original Project. Hence, the environmental documentation previously certified and approved by the Board in conjunction with the IFP is adequate for the proposed action and fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further environmental documentation is necessary for the Board to act on the proposed action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the 1993 certified Final EIR/EA and related environmental documentation (i.e., findings, MMRP, and SOC) and that no further environmental analysis or documentation is required.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and authorize an increase of \$1.8 million to the existing agreement with Parsons Water & Infrastructure, for a new not-to-exceed total of \$13.95 million.

Fiscal Impact: \$1.8 million of budgeted and previously appropriated funds under Approp. 15122

Business Analysis: This option is the most efficient approach to acquire the needed project controls support. Parsons personnel have provided project controls services during the design and construction phases of the Inland Feeder Program and have developed in-depth background knowledge of the project, as well as project control policies and procedures, which is highly beneficial to Metropolitan.

Option #2

Do not amend this agreement and seek a new firm to provide project control support on the Inland Feeder Program.

Fiscal Impact: Under this option, costs would exceed the \$1.8 million cost of Option #1.

Business Analysis: Inefficiencies would be introduced if a new project controls consultant were to be selected at this time.

Staff Recommendation

Option #1


Roy L. Wolfe
Manager, Corporate Resources

5/17/2007
Date


Jeffrey Kightlinger
General Manager

5/25/2007
Date

BLA #5449