

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

September 11, 2007 Board Meeting

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8-2

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## Subject

Appropriate \$3.95 million; and award \$2,147,500 construction contract to Brutoco Engineering and Construction, Inc. for Phase 2 of the Rialto Pipeline Improvements (Approp. 15427)

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## Description

### Background

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 length of the Rialto Pipeline is 30 miles, of which approximately 16 miles are prestressed concrete cylinder pipe (PCCP). The remaining 14 miles are welded steel pipe. See [Attachment 3](#) for the Location Map and for a diagram of the Rialto Pipeline system.

The Rialto Pipeline is the primary source of water for the Inland Empire Utilities Agency (IEUA) and Three Valleys Municipal Water District (TVMWD) service areas. Over the past four years, there have been five shutdowns of the Rialto Pipeline to evaluate the feeder's condition and to repair distressed pipe sections. Most recently, an urgent repair took place in April 2007. The Rialto Pipeline Improvements Program will improve Metropolitan's capability to continue water deliveries to member agencies during feeder shutdowns by installing three strategically located isolation control structures. Two of the planned structures will feature sectionalizing valves, while the third will feature a removable section of pipe with a built-in bulkhead. In addition, a pumpback facility at Live Oak Reservoir is planned. This pumpback facility will allow reverse flow (up to 100 cfs) to TVMWD's and IEUA's local treatment plants.

In December 2005, Metropolitan's Board authorized final design of the Rialto Pipeline Improvements. In January 2006, the Board authorized advance procurement of two 96-inch sectionalizing valves so that the valves' extended delivery time would not impact the program's planned construction schedule. Fabrication of the sectionalizing valves has been completed and Metropolitan took delivery of the valves in June 2007.

Construction of the Rialto Pipeline Improvements will occur in three phases to minimize operational disruptions to Metropolitan's distribution system and to effectively manage the projects. In August 2006, the Board awarded a contract for the first phase of work. Under Phase 1, two isolation structures were constructed and a 96-inch-diameter removable section of pipe with a built-in bulkhead was fabricated. Phase 1 construction was completed in July 2007.

In April 2007, Metropolitan's Board authorized a change order to the Phase 1 construction contract to address urgent repair of a severely distressed PCCP segment on the Rialto Pipeline. That pipe segment, located along a residential street in the city of Rancho Cucamonga, had up to 85 prestressed wire breaks concentrated at one end of the pipe. To minimize the disruption to impacted member agencies, the newly fabricated 96-inch-diameter removable section of pipe with built-in bulkhead was temporarily installed in one of the partially completed isolation structures. This temporary configuration allowed continued water deliveries to Cucamonga County Water District while isolating the distressed pipe segment so that the repair could be completed within a six-day shutdown.

The third isolation structure, which features a removable section of pipe, will be constructed under Phase 2. In addition, the two 96-inch sectionalizing valves will be installed within the two previously completed structures.

Future Phase 3 efforts will include construction of the Live Oak Pumpback Facility. This action authorizes the Phase 2 work to proceed.

### **Award of Construction Contract (\$3,950,000)**

Specifications No. 1565 for the Rialto Pipeline Improvements Program – Phase 2 construction was advertised on June 28, 2007. As shown in **Attachment 2**, six bids were received and opened on August 2, 2007. The low bid from Brutoco Engineering and Construction, Inc., in the amount of \$2,147,500, complies with the requirements of the specifications. The bids ranged from \$2.15 million to \$4.4 million and the engineer's estimate was \$4.4 million. Staff investigated the difference between the low bid and the engineer's estimate and attributes the difference to the favorable competitive environment among prime contractors and subcontractors for this size of project, and the lower-than-expected costs for electrical work and mechanical equipment. For this contract, Metropolitan established a Small Business Enterprise participation level of at least 20 percent of the bid amount. Brutoco Engineering and Construction, Inc. has committed to meet this requirement.

This action appropriates \$3.95 million in budgeted funds and awards a \$2,147,500 construction contract to Brutoco Engineering and Construction, Inc. In addition to the amount of the contract, the appropriated funds include \$836,700 for Metropolitan force construction and pipe fabrication; \$335,000 for construction inspection; \$244,000 for all other staff and consultant support; and \$386,800 for remaining budget. Support activities include project management, local agency coordination, record drawing preparation, and technical support during construction. Construction management and inspection will be performed by Metropolitan staff. For Phase 2 of the Rialto Pipeline Improvements project, the anticipated cost of inspection is approximately 12 percent of the total construction cost. Engineering Services' goal for inspection of construction contracts less than \$3 million is 9 to 15 percent.

This project has been evaluated and recommended by Metropolitan's Capital Investment Plan Evaluation Team and funds have been included in the fiscal year 2007/08 capital budget. See **Attachment 1** for the Financial Statement.

### ***Actions and Milestones***

Spring 2008 – Completion of Phase 2 Construction

Winter 2009 – Completion of Phase 3 Construction

### **Policy**

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Metropolitan Water District Administrative Code Section 5108: Appropriations

### **California Environmental Quality Act (CEQA)**

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CEQA determination for Option #1:

The project was previously determined by the Board to be categorically exempt under Classes 1, 2, 3, and 4 (Sections 15301, 15302, 15303, and 15304 of the State CEQA Guidelines) on December 13, 2005. With the current board actions, there is no substantial change proposed since the original project was first approved in 2005. Hence, the previous environmental documentation in conjunction with the project fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further CEQA documentation is necessary for the Board to act with regards to the proposed actions.

The CEQA determination is: Determine that the proposed actions have been previously addressed in the 2005 categorical exemptions (Classes 1, 2, 3, and 4; Sections 15301, 15302, 15303, and 15304 of the State CEQA Guidelines) and that no further environmental analysis or documentation is required.

CEQA determination for Options #2 and #3:

None required

**Board Options**

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**Option #1**

Adopt the CEQA determination and

- a. Appropriate \$3.95 million in budgeted funds; and
- b. Award a \$2,147,500 construction contract to Brutoco Engineering and Construction, Inc. for Phase 2 of the Rialto Pipeline Improvements Program.

**Fiscal Impact:** \$3.95 million of budgeted funds under Approp. 15427

**Business Analysis:** This option will improve Metropolitan’s operational flexibility and will minimize impacts to member agencies during scheduled or emergency shutdowns.

**Option #2**

Do not award the construction contract and re-advertise in an attempt to receive more favorable bids.

**Fiscal Impact:** None

**Business Analysis:** This option would delay completion of the Phase 2 construction and may or may not result in more favorable bids.

**Option #3**

Do not proceed with the Rialto Pipeline Improvements Program.

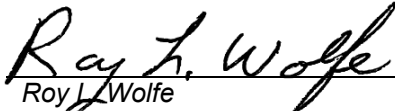
**Fiscal Impact:** None

**Business Analysis:** This option would forego an opportunity to improve Metropolitan’s operational flexibility and minimize impacts to member agencies during scheduled or emergency shutdowns.

**Staff Recommendation**

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Option #1

  
 Roy L. Wolfe  
 Manager, Corporate Resources

8/21/2007  
 Date

  
 Jeffrey Kightlinger  
 General Manager

8/23/2007  
 Date

**Attachment 1 – Financial Statement**

**Attachment 2 – Abstract of Bids**

**Attachment 3 – Location Maps**

BLA #5552

**Financial Statement for Rialto Pipeline Improvements Program**

A breakdown of Board Action No. 6 for Appropriation No. 15427 is as follows:

	<b>Previous Total Appropriated Amount (Apr. 2007)</b>	<b>Current Board Action No. 6 (Sep. 2007)</b>	<b>New Total Appropriated Amount</b>
Labor			
Studies and Investigations	\$ 60,000	\$ -	\$ 60,000
Owner Costs (Program management, permitting, local agency coordination)	690,750 **	204,000	894,750
Final Design	1,094,200 *	-	1,094,200
Construction Inspection and Support	90,000	335,000	425,000
Metropolitan Force Construction	249,000	577,600	826,600
Materials and Supplies	1,259,607	178,600	1,438,207
Incidental Expenses	79,500	5,500	85,000
Professional/Technical Services	1,500,000 *	-	1,500,000
Hazardous Mat'ls Testing/Monitoring	-	70,000	70,000
Site Revegetation Consultant	-	40,000	40,000
Equipment Use	5,000	5,000	10,000
Contracts	6,909,028	2,147,500	9,056,528
Remaining Budget	542,915 **	386,800	929,715
<b>Total</b>	<b>\$ 12,480,000</b>	<b>\$ 3,950,000</b>	<b>\$ 16,430,000</b>

\* Reflects reallocation of \$350,000 from Professional/Technical Services to Labor to reflect design of Phases 2 and 3 being performed by Metropolitan staff instead of consultants.

\*\* Reflects reallocation of \$704,200 from Remaining Budget to Labor to address handling of hazardous materials and modifications to the Live Oak Reservoir Pumpback Project to avoid disruption of a local neighborhood park and to address DSOD issues.

**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>	6
<b>Requested Amount:</b>	\$ 3,950,000	<b>Capital Program No.:</b>	15427
<b>Total Appropriated Amount:</b>	\$ 16,430,000	<b>Capital Program Page No.:</b>	E-55
<b>Total Program Estimate:</b>	\$ 19,300,000	<b>Program Goal:</b>	R-Reliability

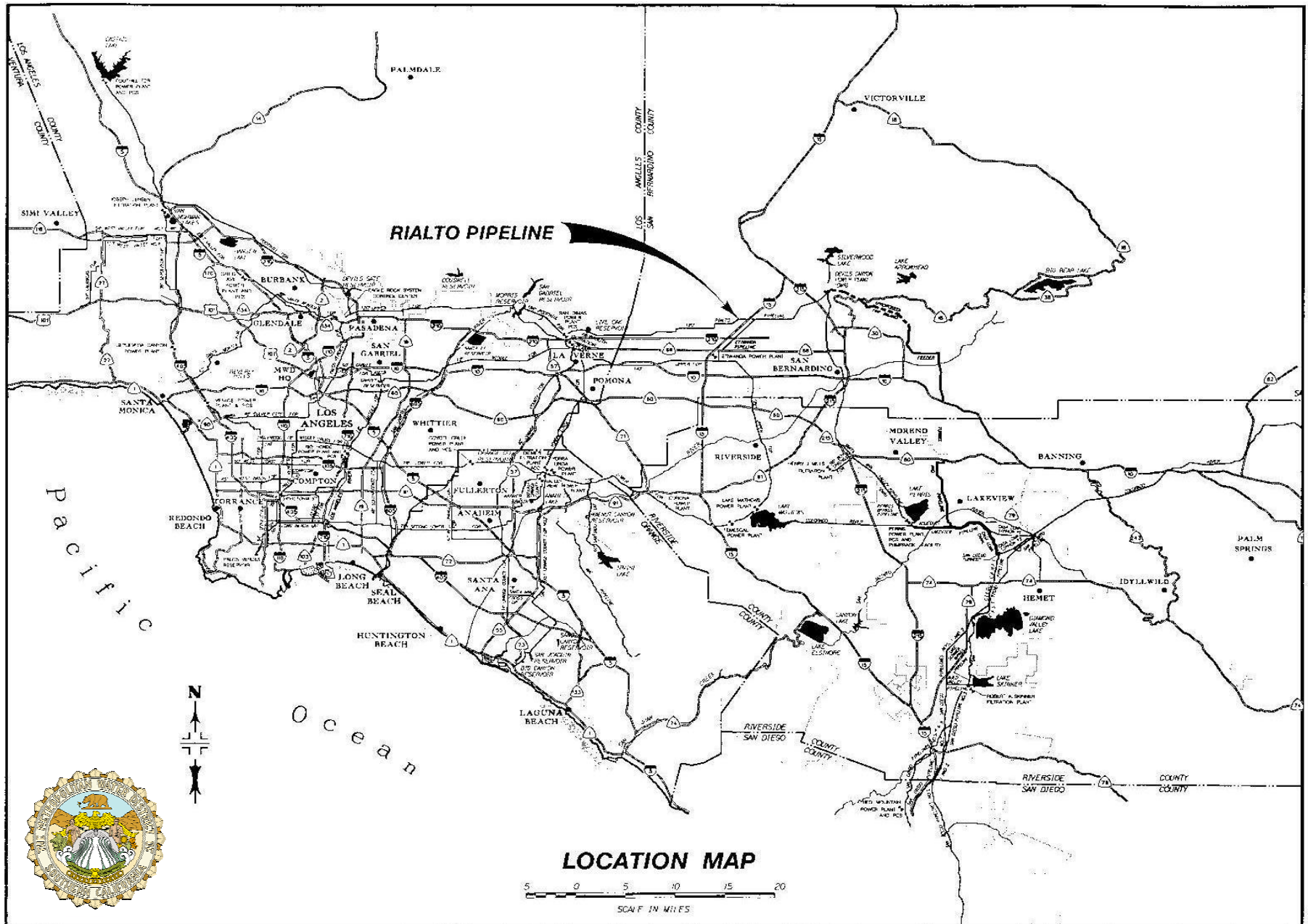
**The Metropolitan Water District of Southern California**  
**Abstract of Bids Received on August 2, 2007 at 2:00 P.M.**  
**Specifications No. 1565**  
**Rialto Pipeline Improvements - Phase 2**

The project consists of construction of Isolation Structure No. 2 with a removable pipe section, and installation of sectionalizing valves at Isolation Structures No. 1 and No. 3. Construction consists of replacing approximately 30 feet of 120-inch diameter welded steel pipe; construction of isolation vault, platforms, two manholes, and encasements.

**Engineer's Estimate: \$4,400,000**

<b>Bidder and Location</b>	<b>Total</b>	<b>SBE \$</b>	<b>SBE %</b>	<b>Met SBE*</b>
Brutoco Engineering & Construction, Inc., Fontana, CA	\$2,147,500	\$429,696	20.01%	Yes
Special Service Contractors Inc., Paso Robles, CA	\$2,377,748	N/A	N/A	N/A
Gantry Constructors, Inc., Clarkdale, AZ	\$2,450,000	N/A	N/A	N/A
Mladen Buntich Construction Co., Inc., Upland, CA	\$3,621,000	N/A	N/A	N/A
J. F. Shea Construction, Inc., Walnut, Ca	\$3,677,000	N/A	N/A	N/A
Abhe & Svoboda, Inc., Alpine, Ca	\$4,368,120	N/A	N/A	N/A

\* SBE (Small Business Enterprise) participation set at 20 percent  
N/A – Not Applicable





# Rialto Pipeline Improvements Program

