



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

2/9/2010 Board Meeting

8-1

Subject

Appropriate \$6,114,000; award construction contracts to: (1) Kaveh Engineering & Construction, Inc. for \$944,800; (2) Abhe & Svoboda, Inc. for \$1,182,520; and (3) Mehta Mechanical Company, Inc. for \$1,095,101; and authorize amendment to existing agreement with Orsa Consulting Engineers, Inc. for the Cross Connection Prevention Program (Approp.15171)

Description

This action awards three construction contracts to relocate 69 air release/vacuum valve assemblies within Metropolitan's treated water distribution system. Relocation of these facilities aboveground will bring them into compliance with current State water quality regulations by eliminating the potential for cross connections.

Timing and Urgency

The California Department of Public Health (CDPH) requires that all treated water supply systems be protected from potential contamination through blow-offs, air release/vacuum valves, and other vulnerable piping configurations. Metropolitan has surveyed its distribution system for potential cross connections and has established a priority ranking to address the approximately 300 identified sites requiring modification. Of these 300 sites, 153 have already been relocated. As a result of this action, a total of 222 sites will have been brought into compliance, with 78 sites remaining to be relocated. Staff recommends proceeding with this work to protect Metropolitan's water delivery system from potential cross connection contamination and to bring Metropolitan into compliance with water quality regulations.

This project has been reviewed with Metropolitan's updated Capital Investment Plan (CIP) prioritization criteria and is categorized as a Water Quality project. The project is budgeted within Metropolitan's CIP for fiscal year 2009/10.

Background

In January 2002, Metropolitan's Board authorized detailed site investigations of all locations within the treated water distribution system with potential cross connections. A detailed assessment of the 1,270 potential sites was conducted to distinguish those which pose a potential hazard from those that pose little or no risk. The assessment recommended that relocation proceed for 300 sites. The recommendation was subsequently approved by the CDPH, as the remaining 970 sites present much lower risk and do not need to be modified. The planned relocation for the identified 300 sites will bring Metropolitan into compliance with CDPH requirements.

The Cross Connection Prevention Program has been planned to utilize 12 construction contracts, each with a moderate number of sites (approximately 25 to 27 sites per contract), to achieve the goals of: (1) increasing competition by sizing the contracts to attract more potential bidders, and (2) increasing opportunities for participation by Small Business Enterprise (SBE) firms. The 12 contracts have been staged to minimize operational disruptions to Metropolitan's distribution system, to effectively manage the geographically diverse projects, and to resolve local agency permitting issues on a case-by-case basis. In order to minimize change orders and avoid construction delays, extensive coordination and permitting have been performed with local agencies prior to award of the construction contracts.

The program features four phases, with approximately 75 sites per phase. The Phase I modifications, which addressed the first 74 sites, were completed in March 2008. The Phase II modifications, which addressed an additional 79 sites, were completed in December 2009. A total of 147 sites remain to be modified. The Phase III construction, which addresses 69 sites under this action, is scheduled to be completed by June 2011. The planned date for completion of all 300 sites is June 2012. See [Attachment 3](#) for the Location Map.

Cross Connection Prevention Program Phase III - Construction (\$6,114,000)

Specifications No. 1599 for the Air Release and Vacuum Valve Relocation for Treated Water Pipelines, Construction Package No. 7, was advertised for bids on September 28, 2009. The project consists of relocating 27 air release/vacuum relief valve combinations from underground vaults along two feeders located within 7 cities and 3 counties. The work includes removal of lead and PCB-containing materials, and asbestos flange gaskets. As shown in [Attachment 2](#), 10 bids were received and opened on November 10, 2009. The low bid from PCI/Myers JV was deemed to be non-responsive. The second low bid from Kaveh Engineering & Construction, Inc., in the amount of \$944,800, complies with the requirements of the specifications. The 8 higher bids ranged from approximately \$1.09 million to \$1.49 million. The engineer's estimate was \$1.32 million. For this contract, Metropolitan has established an SBE participation level of at least 30 percent of the bid amount. Kaveh Engineering & Construction, Inc. is an SBE firm, and thus achieves 100 percent participation.

Specifications No. 1623 for the Air Release and Vacuum Valve Relocation for Treated Water Pipelines, Construction Package No. 8, was advertised for bids on October 12, 2009. The project consists of relocating 21 air release/vacuum relief valve combinations from underground vaults along four feeders located within 7 cities. The work includes removal of lead and PCB-containing materials, and asbestos flange gaskets. As shown in [Attachment 2](#), 13 bids were received and opened on November 24, 2009. The low bid from Abhe & Svoboda, Inc., in the amount of \$1,182,520, complies with the requirements of the specifications. The 12 higher bids ranged from approximately \$1.19 million to \$1.69 million. The engineer's estimate was \$1.3 million. For this contract, Metropolitan has established an SBE participation level of at least 30 percent of the bid amount. Abhe & Svoboda, Inc. has committed to meet this requirement.

Specifications No. 1625 for the Air Release and Vacuum Valve Relocation for Treated Water Pipelines, Construction Package No. 10, was advertised for bids on October 26, 2009. The project consists of relocating 21 air release/vacuum relief valve combinations from underground vaults along four feeders located within 5 cities. The work includes removal of lead and PCB-containing materials, and asbestos flange gaskets. As shown in [Attachment 2](#), 7 bids were received and opened on December 15, 2009. The low bid from Mehta Mechanical Company, Inc., in the amount of \$1,095,101, complies with the requirements of the specifications. The 6 higher bids ranged from approximately \$1.11 million to \$1.59 million. The engineer's estimate was \$1.2 million. For this contract, Metropolitan has established an SBE participation level of at least 30 percent of the bid amount. Mehta Mechanical Company, Inc. is an SBE firm, and thus achieves 100 percent participation.

Construction inspection of the three contracts will be performed by Metropolitan staff. The anticipated cost of inspection as a percentage of the total construction cost is approximately 16.6 percent. Engineering Services' goal for inspection of contracts with construction cost less than \$3 million is 9 to 15 percent. The inspection budget is higher than the goal due to multiple construction sites located over a diverse geographic area, the large number of agencies requiring coordination, and additional effort needed to address local neighbor concerns.

This action appropriates \$6,114,000 in budgeted funds; awards a \$944,800 construction contract to Kaveh Engineering & Construction, Inc.; awards a \$1,182,520 construction contract to Abhe & Svoboda, Inc.; and awards a \$1,095,101 construction contract to Mehta Mechanical Company, Inc. In addition to the amount of the contracts, the requested funds include \$453,000 for construction field support by Metropolitan forces; \$622,700 for construction inspection; \$836,300 for all other staff and consultant support; and \$979,579 for remaining budget. The Metropolitan field support includes \$299,000 for water quality sampling and laboratory testing; \$104,000 for hazardous materials coordination; and \$50,000 for shutdown activities during construction. The other support activities include \$106,200 for permitting with the cities and other local agencies, and for external relations with adjacent businesses and property owners; \$33,000 for environmental monitoring; \$216,900 for technical support by Metropolitan staff; \$36,000 for technical support by the design consultant (see

below); \$79,000 for hazardous materials testing using an on-call consultant; \$207,000 for construction contract administration and project management; and \$156,000 for preparation of as-built drawings.

Technical Support during Construction – Amendment to Existing Agreement

Orsa Consulting Engineers, Inc. performed the design of the Phase III construction packages. As the Engineer of Record, Orsa is recommended to provide technical support during construction on an as-needed basis. Metropolitan staff will provide the primary technical support during construction and will utilize Orsa to respond to requests for information and to advise inspectors on technical issues as they arise. Orsa was selected through a competitive process via Request for Qualifications No. 654, and all work has been performed under a board-authorized agreement. For this agreement, Metropolitan has established an SBE participation level of 25 percent.

This action authorizes an increase of \$36,000 to the existing agreement with Orsa, for a new not-to-exceed total of \$1,471,000, to provide technical support during Phase III construction.

This project is consistent with Metropolitan's goals for sustainability by protecting distribution system water quality in order to maintain safe water deliveries in the future. This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team and funds have been included within the fiscal year 2009/2010 capital budget. See [Attachment 1](#) for the Financial Statement.

Project Milestone

June 2011 – Completion of Phase III Construction

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

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 Mitigated Negative Declaration (MND) for the Cross Connection Prevention Program. The MND was distributed for a 30-day public review period that began on November 3, 2003. The Board later adopted the MND and the Mitigation Monitoring and Reporting Program (MMRP) on September 14, 2004. The present board action is solely based on authorizing construction and not on any changes to the approved project itself. Hence, the previously adopted environmental documentation in conjunction with the current action 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 action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the adopted 2004 MND and the MMRP 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

- a. Appropriate \$6,114,000 in budgeted funds;
- b. Award \$944,800 construction contract to Kaveh Engineering & Construction, Inc.;
- c. Award \$1,182,520 construction contract to Abhe & Svoboda, Inc.;
- d. Award \$1,095,101 construction contract to Mehta Mechanical Company, Inc.; and

- e. Authorize increase of \$36,000 to the existing agreement with Orsa Consulting Engineers, Inc., for a new not-to-exceed total of \$1,471,000.

Fiscal Impact: \$6,114,000 of budgeted funds under Approp. 15171

Business Analysis: This option will continue Metropolitan’s progress to achieve compliance with CDPH requirements for cross connection prevention.

Option #2

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

Fiscal Impact: None

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

Staff Recommendation

Option #1



 Roy L. Wolfe
 Manager, Corporate Resources

1/27/2010
Date



 Jeffrey Lightlinger
 General Manager

1/27/2010
Date

Attachment 1 – Financial Statement

Attachment 2 – Abstracts of Bids

Attachment 3 – Location Map

Reference Number CR12602763

Financial Statement for Cross Connection Prevention Program

A breakdown of Board Action No. 8 for Appropriation No. 15171 for the Cross Connection Prevention Program** is as follows:

	Previous Total Appropriated Amount (June 2008)	Current Board Action No. 8 (Feb. 2010)	New Total Appropriated Amount
Labor			
Studies and Investigations	\$ 1,981,300	\$ -	\$ 1,981,300
Owner Costs (Program mgmt, local agency coordination, env. monitoring)	4,895,845*	719,300	719,300
Construction Inspection and Support	1,083,000	622,700	1,705,700
Metropolitan Force Construction	1,951,750	453,000	2,404,750
Materials and Supplies	763,250		763,250
Incidental Expenses	159,000	2,000	161,000
Professional/Technical Services	9,252,800	-	9,252,800
Orsa Cons. Engrs., Inc.	-	36,000	36,000
Hazardous Mat'ls Consultant	-	79,000	79,000
Right of Way	301,000		301,000
Equipment Use	326,300		326,300
Contracts	10,718,855	3,222,421	13,941,276
Remaining Budget	628,900*	979,579	979,579
Total	\$ 32,062,000	\$ 6,114,000	\$ 38,176,000

Funding Request

Program Name:	Cross Connection Prevention Program		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15171	Board Action No.:	8
Requested Amount:	\$ 6,114,000	Capital Program No.:	15171-W
Total Appropriated Amount:	\$ 38,176,000	Capital Program Page No.:	292
Total Program Estimate:	\$ 53,400,000	Program Goal:	Regulatory – Water Quality

* Includes reallocation of \$349,000 from Remaining Budget to Owner Costs for design changes and permitting issues with the various cities and counties, and for environmental mitigation for several sites.

**The total amount expended to date on the Cross Connection Prevention Program is approximately \$31,800,000.

The Metropolitan Water District of Southern California
Abstract of Bids Received on November 10, 2009 at 2:00 P.M.
Specifications No. 1599
Air Release and Vacuum Valve Relocation for Treated
Water Pipelines, Construction Package No. 7

This package consists of construction to relocate existing air release and vacuum valves from subsurface vaults on the treated water distribution system to above-ground locations to prevent potential cross connections at 27 sites.

Engineer's Estimate: \$1,320,000

Bidder and Location	Total Bid	SBE \$	SBE %	Met SBE*
PCI/Myers JV, Rancho Cordova, CA**	\$ 859,900	-	-	-
Kaveh Engineering & Construction, Inc., Anaheim, CA	\$ 944,800	\$944,800	100%	yes
MMC, Inc., La Palma, CA	\$1,092,000	-	-	-
Genesis Construction, Hemet, CA	\$1,148,777	-	-	-
Zusser Company, Inc., Los Angeles, CA	\$1,267,400	-	-	-
Abhe & Svoboda, Inc., Alpine, CA	\$1,268,240	-	-	-
Mike Bubalo Construction, Inc., Baldwin Park, CA	\$1,360,000	-	-	-
Cora Constructors, Inc., Palm Desert, CA	\$1,449,500	-	-	-
Spiniello Companies, Pomona, CA	\$1,468,000	-	-	-
PPC Construction, Inc., Los Angeles, CA	\$1,494,900	-	-	-

* SBE (Small Business Enterprise) participation set at 30 percent

** Non-responsive bid

The Metropolitan Water District of Southern California
Abstract of Bids Received on November 24, 2009 at 2:00 P.M.
Specifications No. 1623
Air Release and Vacuum Valve Relocation for Treated
Water Pipelines, Construction Package No. 8

This package consists of construction to relocate existing air release and vacuum valves from subsurface vaults on the treated water distribution system to above-ground locations to prevent potential cross connections at 21 sites.

Engineer's Estimate: \$1,300,000

Bidder and Location	Total Bid	SBE \$	SBE %	Met SBE*
Abhe & Svoboda, Inc., Alpine, CA	\$1,182,520	\$ 450,000	38.10	yes
Kaveh Engineering & Construction, Inc., Anaheim, CA	\$1,194,865	-	-	-
Bali Construction, Inc., South El Monte, CA	\$1,219,007	-	-	-
Metro Builders & Engineers Group Ltd., Newport Beach, CA	\$1,239,000	-	-	-
Mehta Mechanical Company, Inc. dba MMC, La Palma, CA	\$1,254,000	-	-	-
SCW Contracting, Fallbrook, CA	\$1,270,399	-	-	-
Mike Bubalo Construction Co., Inc., Baldwin Park, CA	\$1,330,000	-	-	-
Steve P. Rados, Inc., Santa Ana, CA	\$1,354,600	-	-	-
PPC Construction, Inc., Los Angeles, CA	\$1,368,320	-	-	-
Cora Constructors Inc., Palm Desert, CA	\$1,390,000	-	-	-
Kennedy Pipeline Company, Aliso Viejo, CA	\$1,531,481	-	-	-
Hemet Mfg. Co., Inc, dba Genesis Construction, Hemet, CA	\$1,645,777	-	-	-
Spiniello Companies, Pomona, CA	\$1,698,328	-	-	-

* SBE (Small Business Enterprise) participation set at 30 percent

The Metropolitan Water District of Southern California
Abstract of Bids Received on December 15, 2009 at 2:00 P.M.
Specifications No. 1625
Air Release and Vacuum Valve Relocation for Treated
Water Pipelines, Construction Package No. 10

This package consists of construction to relocate existing air release and vacuum valves from subsurface vaults on the treated water distribution system to above-ground locations to prevent potential cross connections at 21 sites.

Engineer's Estimate: \$1,200,000

Bidder and Location	Total Bid	SBE \$	SBE %	Met SBE*
Mehta Mechanical Company, Inc., dba MMC, La Palma, CA	\$1,095,101	\$1,095,101	100	yes
Cedro Construction, Inc., Santa Paula, CA	\$1,112,500	-	-	-
Abhe & Svoboda, Inc., Prior Lake, MN	\$1,212,125	-	-	-
Mike Bubalo Construction Co., Inc., Baldwin Park, CA	\$1,357,000	-	-	-
Williams Pipeline Contractors, Inc., Ventura, CA	\$1,383,620	-	-	-
Kennedy Pipeline Company, Aliso Viejo, CA	\$1,571,948	-	-	-
Mladen Buntich Construction Co., Inc., Upland, CA	\$1,586,000	-	-	-

* SBE (Small Business Enterprise) participation set at 30 percent

