



● **Board of Directors**
Executive Committee

6/8/2010 Board Meeting

8-1

Subject

Ratify appropriation of \$3.83 million, authorization of final design, delegation of authority to the General Manager, and award of construction contract for the Allen-McColloch Pipeline Repairs (Approp. 15441)

Description

This action ratifies the prior action of the Executive Committee of Metropolitan's Board to appropriate \$3.83 million, to authorize final design, and to delegate authority to the General Manager; and ratifies the General Manager's prior award of a construction contract for rehabilitation of six sections of prestressed concrete cylinder pipe (PCCP) on the Allen-McColloch Pipeline (AMP). Due to the critical role of this pipeline in delivering treated water to south Orange County, the Executive Committee acted on May 25, 2010 to authorize the referenced action. The contract was awarded by the General Manager on May 26, 2010.

Timing and Urgency

The AMP is a 26-mile-long pipeline which delivers treated water from the Diemer plant to south Orange County. Constructed in the late 1970s, the AMP consists of 17 miles of welded steel pipe and 9 miles of PCCP. A recent electromagnetic inspection of the AMP identified six distressed sections of pipe which contain at least 15 broken prestressing wires, while one section has approximately 100 wire breaks. Pipe sections with these levels of distress warrant prompt repair. Based on the locations of the distressed sections and their condition, all six sections are planned to be lined and/or replaced with welded steel pipe. Repair of the six pipe sections at this time will reduce the risk of pipe failure and disruption of deliveries to member agencies. The electromagnetic inspection report also identified five pipe sections with possible "broken backs." Staff will excavate these five sections to verify their condition.

The shutdown window to perform these repairs is rapidly closing due to the approaching summer demands. As a result, staff requested that the Executive Committee delegate authority to the General Manager to award a construction contract. This delegation of authority was granted on May 25, 2010, and the contract was awarded by the General Manager on May 26, 2010.

This project is categorized as an Infrastructure Rehabilitation and Replacement project within Metropolitan's Capital Investment Plan (CIP).

Background

The AMP was constructed by the Municipal Water District of Orange County (MWDOC) in the late 1970's. Metropolitan purchased the pipeline from MWDOC in 1995. The pipeline originates at the Diemer plant's finished water reservoir and extends 26 miles south to the El Toro Reservoir in Lake Forest. The northern 17-mile portion of the AMP consists of welded steel pipe. The southern 9-mile portion consists of PCCP that varies in diameter from 54- to 84-inches.

Electromagnetic inspections were conducted on the AMP in January 2010, and the results of the inspections were received in April 2010. The results identified six pipe sections that contain prestressing wire breaks ranging from 15 to 100 breaks within single 20-foot sections. PCCP sections with these levels of distress warrant prompt

repair. Based on the locations of the distressed sections and their condition, the six pipe sections will be replaced with welded steel pipe. Welded steel pipe is recommended because the wire breaks are located at the ends of the pipe sections, and the sites are primarily located in non-urban settings where they can be excavated using open-cut methods.

Allen-McColloch Pipeline Repairs – Final Design and Construction (\$3,830,000 – Ratify Previous Appropriation)

Specifications No. 1686 for the AMP Repairs was advertised for bids on May 14, 2010. As shown in [Attachment 3](#), four bids were received and opened on May 21, 2010. The low bid from J.F. Shea Construction, Inc., in the amount of \$1,579,721, complied with the requirements of the specifications. The three higher bids ranged from approximately \$1.7 million to \$3.6 million. The engineer's estimate was \$2.5 million. Because of the urgent nature of the repairs, Metropolitan did not specify Small Business Enterprise participation for this contract. On May 26, 2010, the General Manager awarded Contract No. 1702 to J.F. Shea Construction, Inc. in the amount of \$1,579,721.

In addition to the amount of the contract, the appropriated funds included: \$815,000 for steel pipe fabrication; \$365,000 for Metropolitan force construction for shutdown activities, disinfection, hazardous materials and water quality testing, and excavation of the five possible broken back sections; \$260,000 for field inspection; \$209,000 for final design; \$231,000 for permitting, environmental monitoring, bidding process, technical support during construction, and program management; and \$370,279 for remaining budget. The anticipated cost of final design is approximately 7.6 percent of the estimated total construction cost. Engineering Services' goal for design of projects with construction cost less than \$3 million is 9 to 15 percent.

This action ratifies the Executive Committee's action May 25, 2010 to appropriate \$3.83 million, to authorize final design, and to delegate authority to the General Manager to award a construction contract; and ratifies the General Manager's prior award of the construction contract for repair of six distressed pipe sections on the Allen-McColloch Pipeline.

This project has been evaluated by and recommended by Metropolitan's CIP Evaluation Team. This project is not budgeted within fiscal year 2009/10 because results of the electromagnetic inspection were received after adoption of the budget. Upon approval of this action, the fiscal year 2009/2010 and 2010/2011 capital expenditure plans will be adjusted to reflect the new work. See [Attachment 1](#) for the Financial Statement, [Attachment 2](#) for Location Map, and [Attachment 3](#) for the Abstract of Bids.

This project is consistent with Metropolitan's goal for sustainability by enhancing the reliability of the existing conveyance and distribution system in order to maintain reliable water deliveries in the future.

Project Milestone

July 2010 – Completion of construction

Policy

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

Metropolitan Water District Administrative Code Section 8141: Competitive Sealed Bidding

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed actions are exempt under the provisions of CEQA and the State CEQA Guidelines. The overall activities involve the repair, maintenance, and minor alteration of an existing public facility involving no expansion of use beyond that existing at the time of the Lead Agency's determination, and the installation of new pipeline, or maintenance, repair, restoration, removal or demolition of an existing pipeline as long as the project does not exceed one mile in length. Accordingly, the proposed actions qualify both as a statutory exemption

under Section 21080.21 of the Public Resources Code (Section 15282 (h) of the State CEQA Guidelines) and as a categorical exemption (Class 1, Section 15301 of the State CEQA Guidelines).

The CEQA determination is: Determine that pursuant to CEQA, the proposed actions qualify under both a statutory exemption and a categorical exemption (Class 15282 and Class 1, Section 15301 of the State CEQA Guidelines, respectively).

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and

- a. Ratify the prior action of the Executive Committee to appropriate \$3.83 million, to authorize final design, and to delegate authority to the General Manager; and
- b. Ratify the General Manager’s award of a \$1,579,721 contract to J.F. Shea Construction Inc. for the Allen-McColloch Pipeline Repairs.

Fiscal Impact: \$3.83 million of unbudgeted funds under Approp. 15441 (previously appropriated by the Executive Committee)

Business Analysis: This project will protect the Allen-McColloch Pipeline, maintain reliable deliveries to Metropolitan’s member agencies, and reduce the risk of costly emergency repairs.

Option #2


Do not ratify the action of the Executive Committee, terminate the contract, and readvertise in an attempt to receive a more favorable bid.

Fiscal Impact: Uncertain costs for terminating the partially completed contract and rebidding the remaining work at a later date

Business Analysis: This option would delay repairs to the Allen-McColloch Pipeline and may or may not result in more favorable bids. The delay would prevent Metropolitan from completing the repairs before peak summer demands commence, and would expose Metropolitan to greater risk of pipe rupture, which would severely disrupt critical deliveries to member agencies.

Staff Recommendation

Option #1

	5/25/2010
Roy L. Wolfe Manager, Corporate Resources	Date
	5/26/2010
Jeffrey Kightlinger General Manager	Date

[Attachment 1 – Financial Statement](#)

[Attachment 2 – Location Maps](#)

[Attachment 3 – Abstract of Bids](#)

Financial Statement for Conveyance and Distribution System Rehabilitation Program – Phase II

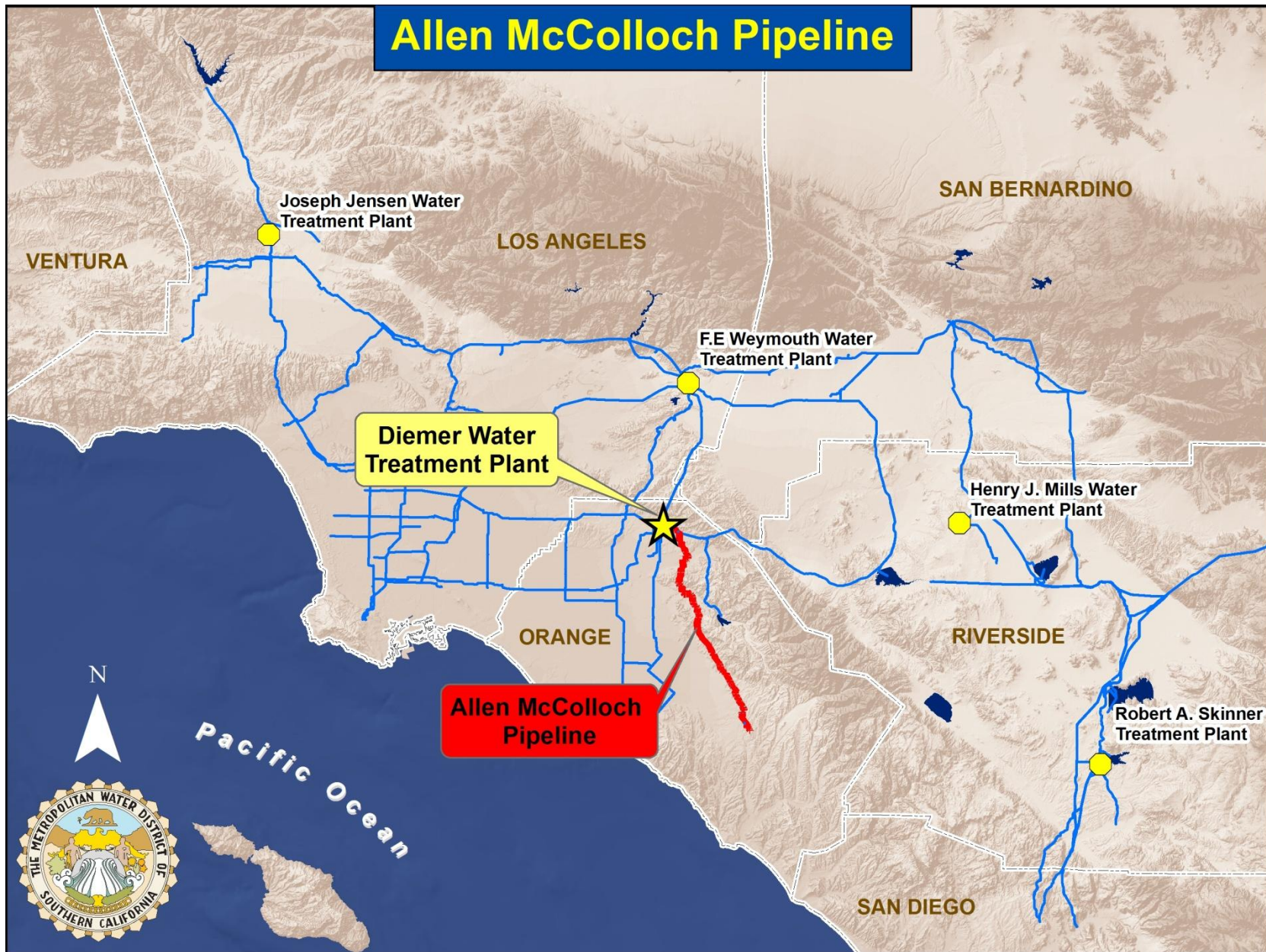
A breakdown of Board Action No. 21 for Appropriation No. 15441 for the Allen-McColloch Pipeline Repairs project is as follows:

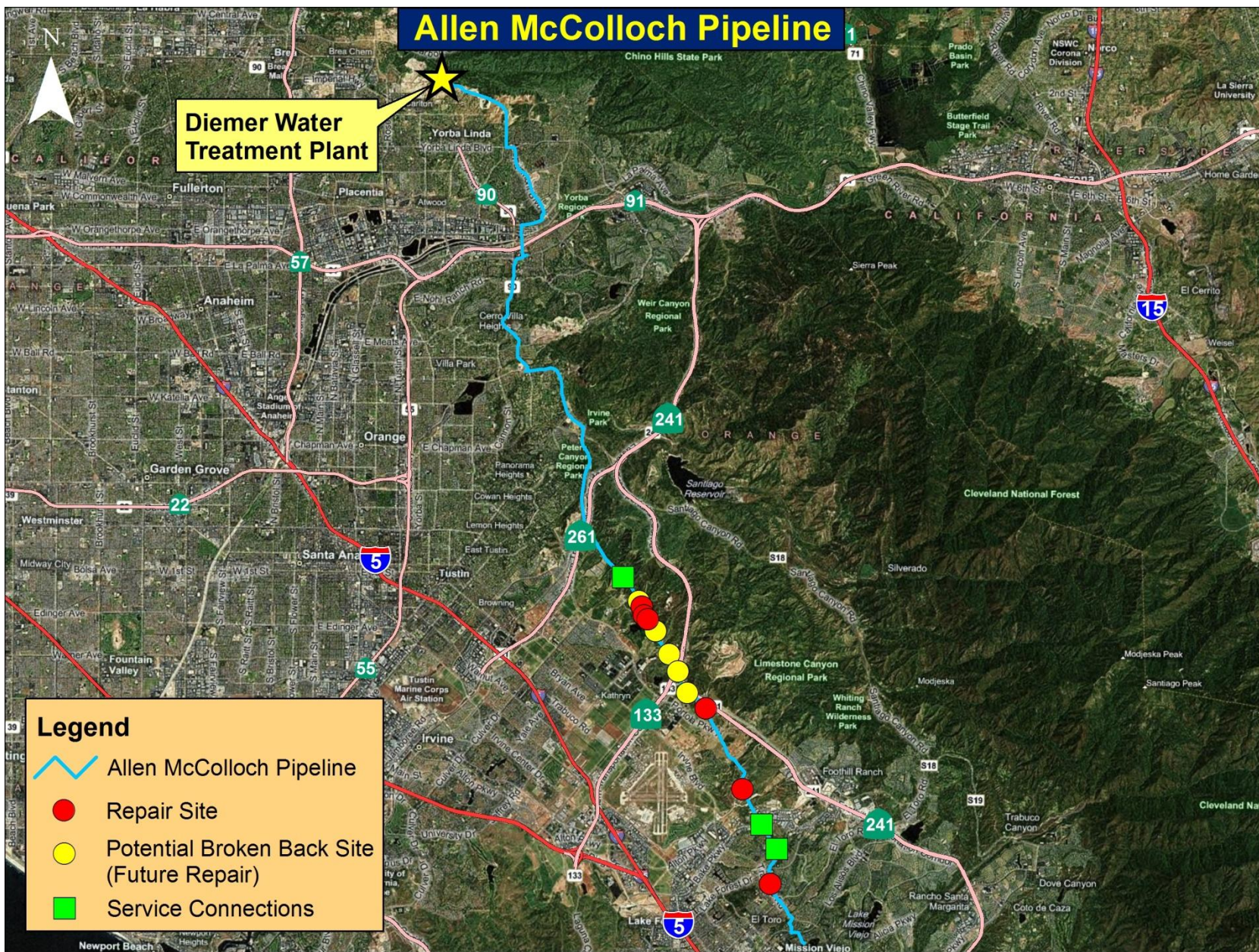
	Previous Total Appropriated Amount (April 2010)	Current Board Action No. 21 * (June 2010)	New Total Appropriated Amount
Labor			
Studies & Investigations	\$ 1,265,600	\$ -	\$ 1,265,600
Preliminary Design	141,600	-	141,600
Final Design	1,835,150	201,000	2,036,150
Owner Costs (Program mgmt, bidding process, permitting, envir. monitoring)	2,558,650	231,000	2,789,650
Construction Inspection & Support	598,100	260,000	858,100
Metropolitan Force Construction	4,194,200	885,000	5,079,200
Materials and Supplies	877,600	200,000	1,077,600
Incidental Expenses	543,900	73,000	616,900
Professional/Technical Services	867,500	-	867,500
Equipment Use	151,200	30,000	181,200
Contracts	3,942,647	1,580,000	5,522,647
Remaining Budget	1,965,853	370,000	2,335,853
Total	\$ 18,942,000	\$ 3,830,000	\$ 22,772,000

Funding Request

Program Name:	Conveyance and Distribution System Rehabilitation Program - Phase II		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15441	Board Action No.:	21
Requested Amount:	\$ 3,830,000 *	Capital Program No.:	15441
Total Appropriated Amount:	\$ 22,772,000	Capital Program Page No.:	277
Total Program Estimate:	\$ 53,850,000	Program Goal:	Infrastructure Reliability

*This action ratifies the prior action of the Executive Committee in May 2010 to appropriate these funds.





The Metropolitan Water District of Southern California**Abstract of Bids Received on May 21, 2010 at 2:00 P.M.****Specifications No. 1686****Allen-McColloch Pipe Repairs**

The project will replace six PCCP sections with welded steel pipe. The work includes excavation, installation of Metropolitan-furnished steel pipes, welding, grouting, and restoration of surface conditions.

Engineer's Estimate: \$2.5 million

Bidder and Location	Total*
J.F. Shea Construction, Inc., Walnut, CA	\$1,579,721
Steve P. Rados, Inc., Santa Ana, CA	\$1,655,000
L.H. Woods & Sons, Inc., Vista, CA	\$1,777,777
Mladen Buntich Construction Co., Inc., Upland, CA	\$3,570,000

*No SBE (Small Business Enterprise) participation was established for this contract