



● **Board of Directors**

3/8/2016 Board Meeting

8-5

Subject

Ratify and amend the Executive Committee appropriation of \$18 million to \$13.9 million; and ratify General Manager's award of a \$9.15 million construction contract to J. F. Shea Construction, Inc. for urgent prestressed concrete cylinder pipe repairs on the Sepulveda Feeder (Approp. 15496)

Executive Summary

This action ratifies the prior action of the Executive Committee of Metropolitan's Board at its February 23, 2016 meeting with respect to urgent repairs of prestressed concrete cylinder pipe (PCCP) along two reaches of the Sepulveda Feeder. Subject to ratification, the Executive Committee appropriated \$18 million for this project and authorized the General Manager to award a construction contract. Following receipt of bid results that were lower than the estimate, this action requests amendment of the appropriation from \$18 million to \$13.9 million and ratification of the General Manager's construction contract award.

Timing and Urgency

A recent electromagnetic inspection of the Sepulveda Feeder identified that numerous PCCP segments have deteriorated over the last several years. These segments should be repaired expeditiously to reduce the risk of pipeline failure, minimize repair costs, and prevent unplanned shutdowns. The subject repairs will line approximately 8,300 feet of existing PCCP segments with a steel liner in two separate reaches. This work is consistent with the long-term rehabilitation effort planned for the Sepulveda Feeder.

The shutdown window to perform these repairs is short due to the approaching summer demands. Based on the urgent nature of the repairs and the critical role of the feeder in delivering treated water, staff requested last month that the Executive Committee delegate authority to the General Manager to award the construction contract. The Executive Committee acted on February 23, 2016, and the contract was awarded by the General Manager on February 25, 2016.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the PCCP Rehabilitation Program. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2015/16.

Details

Background

The Sepulveda Feeder conveys treated water from the Jensen plant in Granada Hills to an interconnection with the Second Lower Feeder in Torrance. The feeder is 42 miles long and was installed in the early 1970s. Approximately 37 miles of the feeder is comprised of PCCP in 20-foot-long segments. Its route follows major public streets as it extends through highly urbanized areas and the Sepulveda Pass. The feeder crosses several freeways, several flood control channels, and an airport. It operates at pressures up to 250 pounds per square inch and passes through areas with highly corrosive soils. In addition, there are numerous underground utility lines, natural gas lines, and oil lines along its route, which expose the feeder to significant stray current interference. The Sepulveda Feeder supplies treated water to the Central Pool portion of Metropolitan's distribution system,

and has six service connections for the cities of Los Angeles, Santa Monica, and Torrance, and the West Basin Municipal Water District.

In October 2015, an electromagnetic inspection was conducted on approximately 10 miles of the Sepulveda Feeder. This inspection identified 14 pipe segments in multiple locations that have experienced a significant increase in prestressing wire breaks since the feeder was previously inspected in 2008. Staff evaluated the potential impact of the prestressing wire breaks, and concluded that the distressed PCCP segments should be repaired as expeditiously as possible. In January 2016, Metropolitan's Board authorized design of the repairs in two reaches of the Sepulveda Feeder. At Reach 1, 8,200 feet of the feeder will be lined within the community of Van Nuys. This reach extends from Hayvenhurst Avenue through the Van Nuys Airport to Valjean Avenue, and then extends from Valjean Avenue along Haynes Street to the I-405 Freeway. At Reach 2, 100 feet will be lined along the I-405 Freeway, south of the Skirball Cultural Center in the city of Los Angeles.

The construction includes lining the existing PCCP segments with 8,300 feet of steel liner designed as a stand-alone pipe that can accommodate full internal and external pressures on the feeder. The annular space between the steel liner and the existing PCCP segments will be filled with cement grout. The repairs will commence in April 2016 and are planned to be completed in June.

Urgent PCCP Repairs on the Sepulveda Feeder – Construction (\$13,900,000)

Specifications No. 1871 for urgent PCCP repairs on two reaches of the Sepulveda Feeder was advertised for bids on January 28, 2016. As shown in [Attachment 2](#), four bids were received and opened on February 18, 2016. The low bid from J. F. Shea Construction, Inc. in the amount of \$9.15 million complied with the requirements of the specifications. The three higher bids ranged from approximately \$9.38 million to \$25.1 million. The engineer's estimate was \$13.7 million. Due to the urgent nature of the repairs, no Small Business Enterprise (SBE) participation was established for this work. The contract was awarded to J. F. Shea Construction, Inc. by the General Manager on February 25, 2016.

The total amount appropriated by the Executive Committee on February 23, 2016, was \$18 million. This amount was based on the estimated cost of the project at that time, but has been revised to \$13.9 million following the determination of the contract amount. The following is a breakdown of the anticipated costs: \$9.15 million for the contract; \$1.49 million for Metropolitan force activities and utility relocations, which include establishing clearances, dewatering the pipeline, water quality testing, and return of the pipeline to service; \$1.27 million for fabrication and construction inspection; \$160,000 for staff to review submittals, respond to requests for information, advise inspectors on technical issues as they arise, and prepare record drawings; \$330,000 for traffic and construction permits, environmental monitoring, public outreach activities, and project management; \$265,000 for temporary right-of-way for the contractor's laydown areas and airport tenant relocations; and \$1,235,000 for remaining budget.

Metropolitan staff will perform inspection of the construction. For this project, the anticipated cost of inspection is approximately 11.9 percent of the total construction cost. Engineering Services' goal for inspection of construction contracts greater than \$3 million is 9 to 12 percent. The total cost of construction for these repairs is \$10.64 million, which includes the construction contract (\$9.15 million) and Metropolitan force activities \$1.49 million. The total estimated cost to complete the urgent repairs on the Sepulveda Feeder, including design, construction, and all other supporting activities, is approximately \$15 million.

This action ratifies and amends the prior action of the Executive Committee to appropriate \$13.9 million for urgent PCCP repairs along two reaches of the Sepulveda Feeder, and ratifies the General Manager's prior award of the construction contract.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2015/16 capital expenditure plan. See [Attachment 1](#) for the Financial Statement, [Attachment 2](#) for the Abstract of Bids, [Attachment 3](#) for the Subcontractors for Low Bidder, and [Attachment 4](#) for the Location Map.

This work is included within capital Appropriation No. 15496, the Sepulveda Feeder PCCP Rehabilitation appropriation.

Project Milestone

June 2016 – Completion of PCCP repairs along two reaches of the Sepulveda Feeder

Policy

Metropolitan Water District Administrative Code Section 2416(f)(1): Duties and Functions [Executive Committee] (The Executive Committee shall act on behalf of the Board in unexpected situations and emergencies, subject to subsequent approval or ratification of the actions taken whenever such approval or ratification is required by law)

Metropolitan Water District Administrative Code Section 5108: Appropriations

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 project was previously found to be statutorily exempt under Sections 21060.3 and 21080(b)(2) and (4) of the California Public Resources Code and Section 15269 of the State CEQA Guidelines on January 12, 2016 and February 23, 2016. Notices of Exemption (NOEs) were filed for the project at those times. With the current action, there is no substantial change proposed to the project since the original NOEs were filed. Thus, the previous environmental documentation 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 action.

The CEQA determination is: Determine that the proposed action regarding the project has been previously addressed in the January 13, 2016 and February 24, 2016 NOEs (Sections 21060.3 and 21080(b)(2) and (4) of the California Public Resources Code and Section 15269 of the State CEQA Guidelines) and that no further environmental analysis or documentation is required for this project.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action was previously determined to be statutorily exempt and that no further environmental analysis or documentation is required, and

- a. Ratify the prior action of the Executive Committee;
- b. Appropriate \$13.9 million; and
- c. Ratify the General Manager's award of a \$9.15 million contract to J. F. Shea Construction, Inc. for urgent PCCP repairs on the Sepulveda Feeder.

Fiscal Impact: \$13.9 million in capital funds (previously appropriated by the Executive Committee) under Approp. No. 15496

Business Analysis: This project will protect Metropolitan assets, enhance delivery reliability to member agencies, and reduce the risk of unplanned shutdowns of the Sepulveda Feeder.

Option #2

Do not ratify the action of the Executive Committee and terminate the contract.

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

Business Analysis: This option would prevent Metropolitan from completing repairs to the Sepulveda Feeder before the peak summer demands commence, and would expose the feeder to greater risk of unplanned outages and disruption of deliveries to member agencies.

Staff Recommendation

Option #1



Gordon Johnson
Manager/Chief Engineer
Engineering Services

2/24/2016

Date



Jeffrey Nightlinger
General Manager

2/25/2016

Date

- Attachment 1 – Financial Statement**
- Attachment 2 – Abstract of Bids**
- Attachment 3 – Subcontractors for Low Bidder**
- Attachment 4 – Location Map**

Ref# es12642085

Financial Statement for Sepulveda Feeder PCCP Rehabilitation Appropriation

A breakdown of Board Action No. 2 for Appropriation No. 15496 for PCCP repairs on the Sepulveda Feeder¹ is as follows:

	Previous Total Appropriated Amount (Jan. 2016)	Prior Exec. Comm. Action No. 2² (Feb. 2016)	Total Appropriated Amount (Feb. 2016)
Labor			
Studies and Investigations	\$ 20,000	\$ -	\$ 20,000
Final Design	668,000	-	668,000
Owner Costs (Program mgmt, permitting, envir. monitoring)	252,000	300,000	552,000
Submittals Review & Record Drwgs.	-	160,000	160,000
Construction Inspection & Support	-	1,270,000	1,270,000
Metropolitan Force Construction	-	1,260,000	1,260,000
Materials & Supplies	-	90,000	90,000
Incidental Expenses	10,000	155,000	165,000
Right-of-Way	-	265,000	265,000
Equipment Use	-	15,000	15,000
Professional/Technical Services	-	-	-
Contracts	-	-	-
J. F. Shea Construction, Inc.	-	9,150,000	9,150,000
Remaining Budget	150,000	1,235,000	1,385,000
Total	\$ 1,100,000	\$ 13,900,000	\$ 15,000,000

Funding Request

Appropriation Name:	Sepulveda Feeder PCCP Rehabilitation		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15496	Board Action No.:	2
Requested Amount:	\$13,900,000	Budget Page No.:	308
Total Appropriated Amount:	\$15,000,000	Total Appropriation Estimate	\$760,000,000

¹ The total amount expended to date on the urgent PCCP repairs along two reaches of the Sepulveda Feeder is approximately \$751,000. The total anticipated cost to complete the repairs, including the amount appropriated to date and current funds requested, is approximately \$15 million.

² This action ratifies the prior action of the Executive Committee in February 2016 to appropriate \$18 million, and amends that amount to be \$13.9 million.

The Metropolitan Water District of Southern California

Abstract of Bids Received on February 18, 2016 at 2:00 P.M.

**Specifications No. 1871
Sepulveda Feeder Urgent PCCP Repairs**

The project consists of relining two reaches of prestressed concrete cylinder pipe.

Engineer's Estimate: \$13,700,000

Bidder and Location	Total	SBE Amount	SBE %	Met SBE¹
J. F. Shea Construction, Inc., Walnut, CA	\$9,150,000	N/A	N/A	N/A
L. H. Woods & Sons, Inc., Vista, CA	\$9,377,777	-	-	-
Kiewit Infrastructure West Co., Santa Fe Springs, CA	\$11,144,000	-	-	-
Steve P. Rados, Inc., Santa Ana, CA	\$25,080,000	-	-	-

¹ Due to the urgent nature of the repairs, no SBE (Small Business Enterprise) participation was established for this contract.

The Metropolitan Water District of Southern California

Subcontractors for Low Bidder

**Specifications No. 1871
Sepulveda Feeder Urgent PCCP Repairs**

Low Bidder: J. F. Shea Construction, Inc.

Subcontractor and Location
Dean's Certified Welding Inc., Temecula, CA
Cell-Crete Corporation, Inc., Monrovia, CA
Matt Chlor, Inc., El Monte, CA

