



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

3/14/2017 Board Meeting

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**7-2**

**Subject**

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Adopt CEQA determination and appropriate \$1.92 million; and award \$1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station (Appropriation No. 15488)

**Executive Summary**

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This action awards a procurement contract to replace the existing deteriorated pumps at the Greg Avenue Pump Station.

**Timing and Urgency**

The West Valley portion of Metropolitan's distribution system normally depends on raw water deliveries from the West Branch of the State Water Project (SWP). Backup deliveries to this area are provided by the Greg Avenue Pump Station, which was constructed in the early 1960s. During the critical drought conditions of 2014 and 2015, the Greg Avenue Pump Station was relied upon to pump Colorado River water on a continuous basis to the Ventura County portion of Metropolitan's service area. After more than 50 years of service, the pumps have deteriorated and need to be replaced. Due to the long lead time required for the manufacture of new pumps, staff recommends moving forward with procurement at this time.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the System Flexibility/Supply Reliability Program. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2016/17.

**Details**

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**Background**

The Greg Avenue Pump Station is located on the East Valley Feeder. It was constructed in the early 1960s to pump treated Colorado River water from the F. E. Weymouth Water Treatment Plant into the West Valley area. Upon completion of the Joseph Jensen Water Treatment Plant in 1972, Metropolitan commenced delivery of treated water from the SWP into the West Valley area via West Valley Feeder No. 1, and into the Central Pool via the East Valley and Sepulveda Feeders.

The Greg Avenue Pump Station was modified in the mid-1970s to add one megawatt of hydroelectric power generation by replacing one of the pumps with a pump/turbine. Since that time, the facility has operated primarily in generation mode, but has operated in pumping mode during operational tests, when the Jensen plant is out of service, and during periods of low SWP allocations. Recently, the Greg Avenue Pump Station was operated on a continuous basis to pump Colorado River water to the West Valley area during historical low SWP allocations of 5 percent and 20 percent in 2014 and 2015, respectively. While regular inspections and maintenance on the facility have been performed by Metropolitan staff, the pump and pump/turbine have deteriorated over time and need to be replaced. Over the past year, significant cracks have developed on one of the pump's mounting brackets and at the support gussets. This project will improve reliability of the Greg Avenue Pump Station by replacing the existing pumps and rehabilitating key electrical, mechanical, and control equipment at the facility.

In May 2014, Metropolitan's Board authorized design to replace the two pumps and upgrade the facility. Final design is 95 percent complete, and is expected to be completed in mid-2017. Staff recommends proceeding with procurement of the new pumps at this time. Staff will return to the Board at a later date for award of a construction contract for pump installation and the other rehabilitation work.

### **Greg Avenue Pump Station Rehabilitation – Procurement (\$1,920,000)**

Specifications No. 1827 for furnishing two pumps at the Greg Avenue Pump Station was advertised for bids on December 20, 2016. As shown in [Attachment 2](#), two bids were received and opened on February 13, 2017. The low bid from Xylem Water Solutions USA, Inc. in the amount of \$1,488,913 complies with the requirements of the specifications. This amount includes all sales and use taxes imposed by the state of California. The second bid was \$2,201,638. The budgetary cost estimate for this equipment, based on surveys of vendors, ranged from \$2 million to \$3 million. For bid evaluation purposes, bidders who qualified as a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) received a five percent bid-price reduction credit. In addition, bidders who qualified as a Regional Business Enterprise (RBE) received a five percent bid-price reduction credit. A maximum of \$25,000 or 10 percent in bid-price reduction credit was available for a business that meets SBE or DVBE criteria and the RBE criteria. An additional bid-price adjustment was included based on the location of manufacture to reflect inspection travel costs. As a procurement contract, there are no subcontracting opportunities.

This action appropriates \$1.92 million and awards a \$1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for the Greg Avenue Pump Station. In addition to the amount of the contract, the requested funds include \$209,000 for fabrication inspection, review of submittals, and responding to vendor requests for information; \$86,000 for project management and contract administration; and \$136,087 for remaining budget.

Metropolitan staff will perform contract administration and fabrication inspection. Black & Veatch will respond to vendor requests for information and perform submittal reviews, as discussed below.

### **Technical Support Services (Black & Veatch) – No action required**

Review of technical submittals for the pump procurement is recommended to be performed by Black & Veatch under an existing board-authorized agreement. Black & Veatch is the engineer of record for the Greg Avenue Pump Station rehabilitation work. The planned scope includes review of technical submittals and responding to vendor requests for technical information. The estimated cost for these services is \$30,000.

No agreement amendment is required for Black & Veatch to provide these services. For this agreement, Metropolitan has established an SBE participation level of 18 percent. Black & Veatch has agreed to meet this level of participation.

This project is included within capital Appropriation No. 15488, Water Delivery System Improvements Appropriation – FY 2015/16 Through FY 2017/18. With the present action, the total funding for this appropriation will increase from \$28.2 million to \$30.12 million. The total estimated cost to complete the rehabilitation project, including the amount appropriated to date, current funds requested, and future construction costs, is anticipated to range from \$12 million to \$15 million.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2016/17 capital expenditure plan. See [Attachment 1](#) for the Financial Statement, [Attachment 2](#) for the Abstract of Bids, [Attachment 3](#) for the Location Map.

### ***Project Milestone***

May 2018 – Delivery of pumps

### **Policy**

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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)

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### CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed project involves funding for procurement of two pumps, and minor alterations, reconstruction or replacement of existing public facilities along with the construction of minor appurtenant structures with no expansion of use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies under Class 1, Class 2, and Class 3 Categorical Exemptions (Sections 15301, 15302, and 15303) and Section 15061(b)(3) of the State CEQA Guidelines.

The CEQA determination is: Determine that pursuant to CEQA, the proposed action qualifies under Categorical Exemptions (Class 1, Section 15301; Class 2, Section 15302; and Class 3, Section 15303) and Section 15061(b)(3) of the State CEQA Guidelines.

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Adopt the CEQA determination that the proposed action is categorically exempt from CEQA, and

- a. Appropriate \$1.92 million; and
- b. Award \$1,488,913 procurement contract to Xylem Water Solutions USA, Inc. for pumps at the Greg Avenue Pump Station.

**Fiscal Impact:** \$1.92 million of capital funds under Appropriation No. 15488

**Business Analysis:** This project will enhance Metropolitan's ability to reliably serve Colorado River Aqueduct water to portions of the distribution system that are normally dependent on State Water Project deliveries.

### Option #2

Do not award the procurement contract.

**Fiscal Impact:** None

**Business Analysis:** This option would forego an opportunity to increase delivery flexibility within Metropolitan's distribution system and reduce water supply risks.

## Staff Recommendation

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### Option #1

  
 \_\_\_\_\_ 2/21/2017  
 Gordon Johnson Date  
 Manager/Chief Engineer  
 Engineering Services

  
 \_\_\_\_\_ 2/27/2017  
 Jeffrey Nightlinger Date  
 General Manager

[Attachment 1 – Financial Statement](#)

[Attachment 2 – Abstract of Bids](#)

[Attachment 3 – Location Map](#)

**Financial Statement for Water Delivery System Improvements Appropriation – FY 2015/16 Through FY 2017/18**

A breakdown of Board Action No. 5 for Appropriation No. 15488 for the Greg Avenue Pump Station<sup>1</sup> is as follows:

	<b>Previous Total Appropriated Amount (Aug. 2014)</b>	<b>Current Board Action No. 5 (Mar. 2017)</b>	<b>New Total Appropriated Amount</b>
Labor			
Studies & Investigations	\$ 90,000	\$ -	\$ 90,000
Final Design	1,032,000	-	1,032,000
Owner Costs (Program mgmt.)	785,425	86,000	871,425
Submittals Review & Record Drwgs	1,131,000	113,000	1,244,000
Construction Inspection & Support	2,043,000	66,000	2,109,000
Metropolitan Force Construction	3,536,000	-	3,536,000
Materials & Supplies	2,032,000	-	2,032,000
Incidental Expenses	57,000	-	57,000
Professional/Technical Services	392,342	-	392,342
Black & Veatch	1,263,233	30,000	1,293,233
Equipment Use	-	-	-
Contracts	14,918,413	1,488,913	16,407,326
Remaining Budget	919,587 <sup>2</sup>	136,087	1,055,674
<b>Total</b>	<b>\$ 28,200,000</b>	<b>\$ 1,920,000</b>	<b>\$ 30,120,000</b>

**Funding Request**

<b>Appropriation Name:</b>	Water Delivery System Improvements Appropriation – FY 2015/16 Through FY 2017/18		
<b>Source of Funds:</b>	Revenue Bonds, Replacement and Refurbishment or General Funds		
<b>Appropriation No.:</b>	15488	<b>Board Action No.:</b>	5
<b>Requested Amount:</b>	\$ 1,920,000	<b>Budget Page No.:</b>	260
<b>Total Appropriated Amount:</b>	\$ 30,120,000	<b>Total Appropriation Estimate:</b>	\$ 40,500,000

<sup>1</sup>The total amount expended to date to rehabilitate the Greg Avenue Pump Station is \$2.32 million. The total estimated cost to complete this project, including the amount appropriated to date, current funds requested, and future construction costs, is anticipated to range from \$12 million to \$15 million.

<sup>2</sup>Includes previous reallocation from Remaining Budget for the following projects: (1) \$936,000 for the Lake Perris Pumpback Facility and construction change orders for the Inland Feeder/Lakeview Pipeline Intertie; (2) \$987,000 for hydraulic modeling and design of a new control building at the Greg Avenue Pump Station; and (3) \$114,000 for modifications to the nozzle flow-control plate at the Jensen plant.

**The Metropolitan Water District of Southern California**  
**Abstract of Bids Received on February 13, 2017 at 2:00 P.M.**  
**Specifications No. 1827**  
**Furnishing Pumps for the Greg Avenue Pump Station**

This contract furnishes two new pumps.

**Estimated Range of Cost: \$2,000,000 to \$3,000,000**

<b>Bidder and Location</b>	<b>Base Bid Price Total<sup>1</sup></b>	<b>Small Business or Disabled Veteran Business (Y/N)</b>	<b>Regional Business (Y/N)</b>	<b>Bid Price Reduction for SBE/DVBE or RBE</b>	<b>Bid-Price Increase for Inspection</b>	<b>Present Worth of Power Cost Over 20 Years</b>	<b>Total Evaluated Bid Price</b>
<b>Xylem Water Solutions USA, Inc., Pewaukee, WI</b>	<b>\$1,488,913</b>	<b>N</b>	<b>N</b>	<b>0</b>	<b>\$55,880</b>	<b>\$14,344,109</b>	<b>\$15,888,902</b>
Ebara, Tokyo, Japan	\$2,201,638	N	N	0	\$106,000	\$14,760,946	\$17,068,584

<sup>1</sup> Includes sales and use taxes of 8.75 percent imposed by the state of California. The sales tax reflects an adjustment from the previous rate of 9.00 percent, which took effect on January 1, 2017.

<sup>2</sup> For bid evaluation purposes, bidders who qualified as a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) received a five percent bid-price reduction credit. In addition, bidders who qualified as a Regional Business Enterprise (RBE) received a five percent bid-price reduction credit. A maximum of \$25,000 or 10 percent in bid-price reduction credit was available for a business that meets SBE or DVBE criteria and the RBE criteria. An additional bid-price adjustment was included based on the location of manufacture.

# Distribution System

