



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

12/12/2017 Board Meeting

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7-3

**Subject**

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Adopt CEQA determination and award \$339,500 contract to Shipley Construction & Plumbing to renovate two houses at Gene Pumping Plant (Appropriation No. 15495)

**Executive Summary**

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This action awards a construction contract to renovate two employee houses at Gene Pumping Plant on the Colorado River Aqueduct (CRA). The houses will be renovated to a condition that is comparable to the 10 new houses that are currently being constructed at the pumping plant villages.

**Timing and Urgency**

Metropolitan owns houses at each of the five CRA pumping plants that are rented to employees involved in the operation and maintenance of the CRA system. Housing is provided for assigned staff due to the remoteness of the facilities, and to ensure an appropriate response time in the event of an emergency that could jeopardize aqueduct flows, damage equipment, or present a safety risk to employees or the general public.

In May 2017, Metropolitan's Board authorized the renovation of approximately 89 houses that require minor or moderate levels of rehabilitation. The goal of these renovations is to improve the existing houses, where practical, to a condition that is similar in nature and scope to the 10 new houses that are currently under construction. Several project delivery methods are being employed for the initial houses to be renovated. Under this approach, staff will compare the cost, timing, and logistics of each method in order to establish the most favorable construction methodology to be followed for the remainder of the houses. Design has been completed for two houses that will be renovated by a single construction contractor, and staff recommends awarding the contract at this time.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the System Reliability Program. No funds are required to be appropriated for this work, as sufficient funds were previously appropriated and are available within Metropolitan's capital expenditure plan for fiscal year 2017/18.

**Details**

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**Background**

The CRA is a 242-mile-long conveyance system that transports water from the Colorado River to Lake Mathews in Riverside County. It consists of five pumping plants, 124 miles of tunnels, 63 miles of canals, and 55 miles of conduits, siphons, and reservoirs. The aqueduct was constructed in the late 1930s and was placed into service in 1941.

Houses were initially constructed at the CRA pumping plants in the early 1940s. Expansion of the aqueduct's capacity in the 1950s led to the construction of additional houses. Since the 1960s, employee housing has been reduced from a maximum of 160 units to the current 100 units, primarily due to the increased availability of off-site housing near Intake and Gene Pumping Plants. At present, six houses are located at Intake Pumping

Plant, 40 at Gene Pumping Plant, 28 at Iron Mountain Pumping Plant, 15 at Eagle Mountain Pumping Plant, and 11 at Hinds Pumping Plant.

Metropolitan has performed routine maintenance on each of the CRA houses since they were built, but following decades of continuous use and exposure to the harsh desert environment, deterioration has occurred. While most of the units can be renovated cost-effectively, several houses have deteriorated beyond repair and are being replaced. A majority of the houses are being renovated.

In May and July 2017, Metropolitan's Board authorized a comprehensive program to improve employee housing for the CRA, including: (1) construction of 10 new houses; (2) refurbishment of approximately 89 houses requiring minor or moderate levels of renovation; and (3) upgrade of kitchens and guest lodge facilities at Eagle Mountain and Iron Mountain Pumping Plants.

The goal of the renovations is to improve the existing houses, where practical, so they are comparable to the new houses currently under construction. As a result, staff has prioritized 20 of the houses for renovation under a pilot program, including the two houses at Gene Pumping Plant that are the subject of this action. While planning and construction to renovate all 89 houses will move forward, the work will be expedited for the initial 20 houses.

The condition of the existing houses varies from unit to unit. In order to establish the most favorable project delivery method to complete the renovations, staff has selected several houses that will be addressed in alternate ways. For example, several houses will be renovated by Metropolitan forces, while the subject contract will renovate two houses via a single construction contract. Once the pilot program has been completed, staff will return to the Board with a recommended construction approach and an updated cost estimate to complete the renovations for the remaining 69 houses. At this time, staff recommends proceeding with renovations to the two houses that will be addressed under a single construction contract.

#### **CRA Housing Rehabilitation – Construction (No Funds Required)**

The planned work to renovate Houses 12 and 47 at Gene Pumping Plant includes upgrading electrical and plumbing systems; installing new doors, windows, and cabinetry for kitchens and bathrooms; replacing roofs and the heating, ventilating, and air conditioning (HVAC) units; repairing structural components such as roof joists and floor foundations; and interior and exterior painting.

Specifications No. 1915 for the renovation of two houses at Gene Pumping Plant was advertised on October 10, 2017. As shown in **Attachment 1**, four bids were received and opened on November 13, 2017. The low bid from Shipley Construction and Plumbing in the amount of \$339,500 complies with requirements of the specifications. The three higher bids ranged from \$347,885 to \$590,940, while the engineer's estimate was \$310,000. For this project, Metropolitan established a Small Business Enterprise (SBE) participation level of 10 percent. Shipley Construction and Plumbing is an SBE firm and thus achieves 100 percent participation. No subcontractors are planned for this contract.

Metropolitan staff will perform inspection of the construction. For this project, the anticipated cost of inspection is approximately 12 percent of the total construction cost. Engineering Services' goal for inspection of projects with construction less than \$3 million is 9 to 15 percent. The total cost of construction to renovate Houses 12 and 47 is approximately \$340,000.

This action awards a \$339,500 contract to Shipley Construction and Plumbing for the renovation of two houses at Gene Pumping Plant. The total estimated cost to complete the renovation of 89 CRA houses, including the amount appropriated to date and future construction costs, is anticipated to range from \$4.2 million to \$5.5 million.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2017/18 capital expenditure plan. See **Attachment 1** for the Abstract of Bids and **Attachment 2** for the Location Map.

This project is included within capital Appropriation No. 15495, the Operational Support Facility Improvements Appropriation, which was initiated in fiscal year 2015/16. No funds are required to be appropriated for this work, as sufficient funds were previously appropriated and are available with Appropriation No. 15495.

***Project Milestone***

May 2018 – Completion of renovation of two houses at Gene Pumping Plant

**Policy**

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

By Minute Item 50821, dated May 9, 2017, the Board authorized construction to renovate approximately 89 houses at the CRA pumping plants.

**California Environmental Quality Act (CEQA)**

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**CEQA determination for Option #1:**

The proposed action 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 May 9, 2017. Since that time, the statute of limitations on the project has ended. With the current action, there is no substantial change proposed since the original project was first approved in 2017. 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 regard to the proposed action.

**CEQA determination for Option #2:**

None required

**Board Options**

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**Option #1**

Adopt the CEQA determination that the proposed action was previously determined to be categorically exempt, and

Award \$339,500 contract to Shipley Construction and Plumbing to renovate two houses at Gene Pumping Plant.

**Fiscal Impact:** None. Funds for this work were appropriated previously.

**Business Analysis:** This option will preserve Metropolitan assets and maintain an appropriate standard of living for staff stationed at Metropolitan's desert facilities.

**Option #2**

Do not proceed with the project at this time.


**Fiscal Impact:** None

**Business Analysis:** This option would delay the completion of housing renovations planned for the CRA pumping plants.

**Staff Recommendation**

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Option #1

  
\_\_\_\_\_  
Gordon Johnson  
Manager/Chief Engineer  
Engineering Services  
11/28/2017  
Date

  
\_\_\_\_\_  
Jeffrey Kightlinger  
General Manager  
11/28/2017  
Date

**Attachment 1 – Abstract of Bids**

**Attachment 2 – Location Map**

Ref# es12661222

**The Metropolitan Water District of Southern California**

**Abstract of Bids Received on November 14, 2017 at 2:00 P.M.**

**Specifications No. 1915  
Gene Pumping Plant – Renovation of Houses 12 & 47**

The project consists of renovating two homes and two detached garages, including the flooring, windows, paint, and plumbing; remodeling kitchens and bathrooms; replacing interior and exterior doors; replacing electrical wiring; and insulating garages.

Engineer's estimate: \$310,000

<b>Bidder and Location</b>	<b>Total</b>	<b>SBE \$</b>	<b>SBE %</b>	<b>Met SBE<sup>1</sup></b>
<b>Shiple Construction &amp; Plumbing Yucca Valley, CA</b>	<b>\$339,500</b>	<b>\$339,500</b>	<b>100</b>	<b>Yes</b>
Visionary Builders, Inc. Colton, CA	\$347,885	-	-	-
Unispec Construction, Inc. San Pedro, CA	\$412,000	-	-	-
CopperTop Enterprises, Inc. Orange, CA	\$590,940	-	-	-

<sup>1</sup>SBE (Small Business Enterprise) participation level was established at 10% for this contract.

### Location Map

