



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

3/13/2018 Board Meeting

8-1

Subject

Adopt CEQA determination and appropriate \$12.4 million; award \$9,257,483 contract to R.I.C. Construction Company, Inc. to construct an operations and maintenance service center for the Orange County operating region; and authorize increase of \$170,000 to an agreement with La Cañada Design Group, for a new not-to-exceed total of \$517,000 (Appropriation No. 15480)

Executive Summary

This action awards a contract to construct a service center building to support operation and maintenance (O&M) activities within the Orange County region of Metropolitan's distribution system. The Orange County Region Service Center will be located on the grounds of the Robert B. Diemer Water Treatment Plant and will replace temporary facilities that were installed during construction of the Diemer Oxidation Retrofit Program (ORP) facilities.

Timing and Urgency

A permanent service center is needed for the 700-square-mile Orange County operating region. O&M support functions for the region are presently being performed from temporary trailers, shipping containers, and an aging warehouse. A permanent service center will provide local storage of materials and equipment, contain shop facilities to efficiently perform minor repairs locally, and provide a more efficient workplace to support shutdowns, routine maintenance activities, and urgent repairs.

This project has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the Distribution System Reliability Program. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2017/18.

Details

Background

Metropolitan's distribution system contains over 830 miles of pipelines and 5,400 individual structures that require regular maintenance and monitoring. This system encompasses a broad service area of 5,200 square miles. To efficiently perform needed O&M work across this system, Metropolitan has established permanent service centers at several locations to store equipment and supplies, and to support local maintenance activities. Typical work includes refurbishing small to medium-sized valves; welding damaged or corroded piping, vent stacks, and above-grade meter cabinets; and maintaining specialized equipment for dewatering, disinfection, and dechlorination of pipelines. Service centers are located at the Colorado River Aqueduct pumping plants, on the grounds of the Joseph Jensen and F. E. Weymouth Water Treatment Plants, at the Wadsworth Pumping Plant at Diamond Valley Lake, and at the Diemer plant. The latter facility supports the Orange County operating region from a combination of aging and temporary buildings.

A permanent service center for the Orange County operating region had formerly been located at the Diemer plant within the footprint of the ORP facilities. This aging service center was demolished to enable the Diemer plant's south slope stabilization project to proceed. An interim service center was then established that was designed for short-term use until the ORP construction could be completed. The interim service center consists of three leased

construction trailers, four steel shipping containers for storage of equipment, and a converted metal warehouse building that was originally constructed in 1965. The types of repairs that can be performed at this location are limited because there is no crane or other permanent maintenance equipment, and the work space is cramped. Maintenance supplies and dewatering equipment (which includes pumps, piping, dechlorination equipment, blowers, and portable generators) are stacked in the shipping containers, which lack lighting and ventilation. Similarly, the metal warehouse lacks proper lighting, ventilation, or restrooms, and lacks communication infrastructure.

Final design of a new service center to replace the interim facility was authorized by Metropolitan's Board in August 2014. Design of the site's grading and civil works, yard piping, and electrical service was performed by Metropolitan staff, while design of the new building was performed by La Cañada Design Group. Final design of the facility has been completed, and building permits have been acquired from the city of Yorba Linda. Staff recommends award of the construction contract at this time.

Orange County Region Service Center – Construction (\$12,400,000)

The scope of the construction contract includes site development and extension of utilities, which consists of:

- Grading and paving
- Installation of perimeter lighting and storm drains
- Utility extensions for potable water, wastewater, natural gas, and electrical service
- Paving and containment for a hazardous material storage area

The contract also includes construction of a building that contains:

- Offices and workspace for approximately 24 staff
- A welding/fabrication shop with specialized equipment including a drill press, band saw, grinder, welder, parts cleaner, welding hood, and 3-ton bridge crane
- A pipe and conduit-bending area
- Work bench and parts cleaning areas
- A tool crib and storage areas for fabrication and welding supplies, and for dewatering equipment

The Orange County Region Service Center will be approximately 12,000 square feet in area, which is comparable in size to other Metropolitan service centers. The construction cost for the building only is approximately \$475 per square foot. In comparison, the cost to construct five other Metropolitan maintenance buildings since 2001 has averaged \$547 per square foot, adjusted to 2018 dollars.

Specifications No. 1837 for constructing a service center at the Diemer plant was advertised for bids on December 8, 2017. As shown in **Attachment 2**, 12 bids were received and opened on January 30, 2018. The low bid from R.I.C. Construction Company, Inc. in the amount of \$9,257,483 complies with the requirements of the specifications. The 11 higher bids ranged from \$9,559,000 to \$12.69 million, while the engineer's estimate was \$9.5 million. For this contract, Metropolitan established a Small Business Enterprise (SBE) participation level of at least 25 percent of the bid amount. R.I.C. Construction Company, Inc. is an SBE firm and thus achieves 100 percent participation. The subcontractors for this contract are listed in **Attachment 3**.

This action appropriates \$12.4 million and awards a \$9,257,483 contract to R.I.C. Construction Company, Inc. to construct a service center at the Diemer plant. In addition to the amount of the contract, the requested funds include \$912,000 for construction inspection; \$204,000 for contract administration, preparation of record drawings, and project management; \$238,000 for submittals review and responding to contractor requests for information on the portion of the design conducted by Metropolitan staff; \$170,000 for technical support by La Cañada Design Group, as discussed below; \$200,000 for specialized inspection by Jacobs Engineering Group, as discussed below; \$75,000 for permitting with the city of Yorba Linda; and \$1,343,517 for remaining budget.

Inspection of the construction will primarily be performed by Metropolitan staff, with specialized support from Jacobs Engineering Group. For this project, the anticipated cost of inspection is approximately 12 percent of the construction cost. Engineering Services' goal for inspection of projects with construction greater than \$3 million

is 9 to 12 percent of the construction cost. The total cost of construction for the Orange County Region Service Center is \$9,257,483.

Technical Support During Construction (La Cañada Design Group) – Amendment to Agreement

Final design of the service center building was performed by La Cañada Design Group under a board-authorized agreement. As the architect and engineer of record for the building, La Cañada Design Group is recommended to provide technical support during construction. The planned scope of work includes responding to requests for information from the contractor and reviewing technical submittals related to the building. The estimated cost for these services is \$170,000.

This action authorizes an increase of \$170,000 to the existing agreement with La Cañada Design Group, for a new not-to-exceed amount of \$517,000, to provide technical support during construction of the new service center. For this agreement, Metropolitan established an SBE participation level of 18 percent. La Cañada Design Group has agreed to meet this level of participation. The subconsultants for this agreement are listed in **Attachment 4**.

Inspection Services (Jacobs Engineering Group) – No Action Required

Specialized inspection support for the Orange County Region Service Center will be provided by Jacobs Engineering Group via an agreement planned to be awarded under the General Manager's Administrative Code authority. Jacobs Engineering Group was prequalified to provide inspection services through a competitive process via Request for Qualifications No. 1077, and was subsequently selected for this work based on its extensive experience with inspection of similar types of projects.

As a condition of the building permit issued for this project, the city of Yorba Linda has required that a portion of the on-site inspection be performed by certified deputy inspectors that hold specialized certifications. Metropolitan has insufficient technical staff in-house that holds these specialized certifications. As a result, Jacobs Engineering Group will inspect specific areas of the construction including structural elements such as engineered masonry, field welding, and high-strength concrete; and sprayed-on fireproofing. The estimated cost for these services is \$200,000. Due to the specialized nature of the work, no SBE participation level has been established.

Summary

This action appropriates \$12.4 million; awards a contract to construct the Orange County Region Service Center; and authorizes an amendment to an agreement with La Cañada Design Group for technical support. 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 Financial Statement, **Attachment 2** for the Abstract of Bids, **Attachment 3** for the listing of Subcontractors for Low Bidder, **Attachment 4** for the listing of Subconsultants for the Agreement with La Cañada Design Group, and **Attachment 5** for the Location Map.

The Orange County Region Service Center is included with capital Appropriation No. 15480, the Conveyance and Distribution System Rehabilitation Appropriation – FY 2012/13 Through FY 2017/18, which was initiated in 2012. With the present action, the total funding for this appropriation will increase from \$51.05 million to \$63.45 million. The total estimated cost to complete this project, including the amount appropriated to date and current funds requested, is \$15.4 million.

Project Milestone

December 2019 – Completion of construction of the Orange County Region Service Center

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

By Minute Item 49855, dated August 19, 2014, the Board authorized final design of an operation and maintenance service center for the Orange County operating region.

By Minute Item 51043, dated December 12, 2017, the Board authorized granting an entry permit to the city of Yorba Linda for inspection of storm drains to be installed in conjunction with the Orange County Region Service Center.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The environmental effects of the funding, design, construction, and operation of the Orange County Region Service Center were evaluated as a component of the Robert B. Diemer Water Treatment Plant Upgrades Project (SCH No. 2013101072). The Final EIR was certified by the Board on January 12, 2016. The Board also approved the Findings of Fact (Findings), the Statement of Overriding Considerations (SOC), the Mitigation Monitoring and Reporting Program (MMRP), and the project itself. The proposed action of appropriating funds, awarding a construction contract, and authorizing an increase to an existing agreement for technical support is based on the Orange County Region Service Center project component and not on any other substantial changes to the original Robert B. Diemer Water Treatment Plant Upgrades Project. Hence, the previous environmental documentation taken by the Board in conjunction with the proposed action fully complies with CEQA and the State CEQA Guidelines. Accordingly, no further environmental documentation is necessary for the Board to act on the proposed action.

The CEQA determination is: Determine that the proposed action has been previously addressed in the certified 2016 Final EIR and related documentation (Findings, SOC, and 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 that the proposed action has been previously addressed in the certified 2016 Final Environmental Impact Report and related documentation, and that no further environmental analysis or documentation is required, and

- a. Appropriate \$12.4 million;
- b. Award \$9,257,483 contract to R.I.C. Construction Company, Inc. for construction of an operations and maintenance service center for the Orange County operating region; and
- c. Authorize increase of \$170,000 to an agreement with La Cañada Design Group, for a new not-to-exceed total of \$517,000, for technical support during construction.

Fiscal Impact: \$12.4 million in capital funds under Appropriation No. 15480

Business Analysis: This option will replace the temporary service center facility at the Diemer plant with a more efficient workplace that will support shutdowns, rehabilitation work, routine maintenance, and urgent repairs in the Orange County region.

Option #2

Do not award the contract or proceed with the project at this time.

Fiscal Impact: None

Business Analysis: Under this option, staff would continue to utilize shipping containers and leased temporary trailers at the Diemer plant. This approach would continue to limit the scope and size of planned or urgent work which may be performed in the existing facility. Repair work which cannot be performed at this location will continue to be performed at other Metropolitan facilities. This option would forego an opportunity to provide local, cost-effective support for shutdowns and maintenance work in the Orange County portion of the distribution system, including upcoming support for shutdowns and repairs required for the Prestressed Concrete Cylinder Pipe (PCCP) Rehabilitation Program.

Staff Recommendation

Option #1



Gordon Johnson
Manager/Chief Engineer
Engineering Services

2/26/2018

Date



Jeffrey Kightlinger
General Manager

2/28/2018

Date

Attachment 1 – Financial Statement

Attachment 2 – Abstract of Bids

Attachment 3 – Subcontractors for Low Bidder

Attachment 4 – Subconsultants for Agreement with La Cañada Design Group

Attachment 5 – Location Map

Ref# es12662323

Financial Statement for Conveyance and Distribution System Rehabilitation Appropriation – FY 2012/13 Through FY 2017/18

A breakdown of Board Action No. 35 for Appropriation No. 15480¹ is as follows:

	Previous Total Appropriated Amount (Jan. 2018)	Current Board Action No. 35 (Mar. 2018)	New Total Appropriated Amount
Labor			
Studies & Investigations	\$ 3,347,504	\$ -	\$ 3,347,504
Final Design	8,771,915	-	8,771,915
Owner Costs (Program mgmt., permitting)	4,728,279	204,000	4,932,279
Submittals Review & Record Drawings	998,000	238,000	1,236,000
Construction Inspection & Support	2,931,000	912,000	3,843,000
Metropolitan Force Construction	4,579,000	-	4,579,000
Materials & Supplies	2,390,000	-	2,390,000
Incidental Expenses (Permit fees)	162,000	75,000	237,000
Professional/Technical Services	2,288,000	-	2,288,000
La Cañada Design Group	347,000	170,000	517,000
Jacobs Engineering Group	-	200,000	200,000
Right of Way	330,000	-	330,000
Equipment Use	5,000	-	5,000
Contracts	17,547,128	-	17,547,128
R.I.C. Construction Company, Inc.	-	9,257,483	9,257,483
Remaining Budget	2,625,174	1,343,517	3,968,691
Total	\$ 51,050,000	\$ 12,400,000	\$ 63,450,000

Funding Request

Appropriation Name:	Conveyance and Distribution System Rehabilitation Appropriation – FY 2012/13 Through FY 2017/18		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15480	Board Action No.:	35
Requested Amount:	\$ 12,400,000	Budget Page No.:	214
Total Appropriated Amount:	\$ 63,450,000	Total Appropriation Estimate:	\$332,500,000

¹ The total amount expended to date on the Orange County Region Service Center is approximately \$2,398,630. The total estimated cost to complete this project, including the amount appropriated to date and current funds requested, is \$15.4 million.

² Includes previous reallocation of \$40,000 from remaining budget for dewatering activities to replace flowmeters on Casa Loma Siphon No. 1, Casa Loma Canal, and the San Diego Canal.

The Metropolitan Water District of Southern California
Abstract of Bids Received on January 30, 2018 at 2:00 P.M.
Specifications No. 1837
Orange County Region Service Center

The work consists of constructing a new 12,000 square-foot building to house maintenance shops for the Orange County operating region of Metropolitan's distribution system.

Engineer's estimate: \$9,500,000

Bidder and Location	Total	SBE \$	SBE %	Met SBE¹
R.I.C. Construction Company, Inc. Hesperia, CA	\$9,257,483	\$9,257,483	100	Yes
TELACU Construction Management Orange, CA	\$9,559,000	-	-	-
Angeles Contractor, Inc. City of Industry, CA	\$9,689,000	-	-	-
RAL Investment Corporation dba Silverstrand Construction San Diego, CA	\$10,993,501	-	-	-
Woodcliff Corporation Los Angeles, CA	\$11,052,000	-	-	-
Keystone Builders, Inc. Anaheim, CA	\$11,286,000	-	-	-
TechCom International Corporation Laguna Niguel, CA	\$11,300,000	-	-	-
USS Cal. Builders, Inc. Stanton, CA	\$11,400,000	-	-	-
Tobo Construction, Inc. Torrance, CA	\$11,520,000	-	-	-
Morillo Construction, Inc. Pasadena, CA	\$11,987,000	-	-	-
Pinner Construction Co., Inc. Anaheim, CA	\$12,199,000	-	-	-
California Averland Construction, Inc. Los Angeles, CA	\$12,690,000	-	-	-

¹ Small Business Enterprise (SBE) participation level was established at 25% for this contract

The Metropolitan Water District of Southern California

Subcontractors for Low Bidder

**Specifications No. 1837
Orange County Region Service Center**

Low Bidder: R.I.C. Construction Company, Inc.

Subcontractor and Location
Ed Rose Construction, Corona, CA
Majestic Masonry, Upland, CA
MSI, Bloomington, CA
S&H Cabinets, Fontana, CA
Golden State Roofing, Carson, CA
Coastal, Baldwin Park, CA
Rainbow Glazing, Fullerton, CA
Harwood Construction, La Verne, CA
Overhead Door Company, Colton, CA
Vejar, Riverside, CA
ML Painting, Vista, CA
CraneVeyor, South El Monte, CA
Wilkes Fire Protection, Upland, CA
PJC, Temecula, CA
United Mechanical, Simi Valley, CA
Haaland Builders, Anaheim, CA
Ironclad, Anaheim, CA
PaveWest, La Habra, CA
Hardy Landscaping, Diamond Bar, CA
Challenger Sheet Metal, Santee, CA
Slater Inc., Fontana, CA
High Desert Underground, Apple Valley, CA
LJ Acoustics, Placentia, CA
MTGL, Anaheim, CA

The Metropolitan Water District of Southern California
Subconsultants for Agreement with La Cañada Design Group
Agreement No. 149104

Subconsultant and Location
Brandow & Johnston, Inc., Los Angeles, CA
California Engineer Design Group, Burbank, CA
Kocher Schirra Goharizi, Glendale, CA
Armstrong & Walker, Bradbury, CA
Archway Systems, Inc., Huntington Beach, CA

Distribution System

